UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

For the fiscal year ended December 31, 2008

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.

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, 2008 was approximately $3.2 billion. For this purpose, directors and officers have been assumed to be affiliates. As of February 13, 2009, 91,844,193 shares of AGCO Corporation's Common Stock were outstanding.

AGCO Corporation is a large accelerated filer.

AGCO Corporation is not a shell company.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of AGCO Corporation's Proxy Statement for the 2009 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 the third largest manufacturer and distributor of agricultural equipment and related replacement parts in the world based on annual net sales. 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 2,800 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 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 67% of our net sales in 2008, 68% in 2007 and 67% in 2006.

Combines

Depending on the market, our combines are sold with conventional or rotary technology. 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 2008, 5% in 2007 and 4% in 2006.

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 has been manufacturing mid-range combine harvesters for our Massey Ferguson, Fendt and Challenger brands for distribution in Europe, Africa and the Middle East since 2004. The joint venture also includes Laverda's ownership in Fella-Werke GMBH ("Fella"), a German manufacturer of grass and hay machinery, and its 30% ownership in Gallignani S.p.A. ("Gallignani"), 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 2008 and 2007 and 5% in 2006.

Hay Tools and Forage Equipment, Implement, 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 breaks up soil and mixes 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 11% of our net sales in 2008 and 10% in 2007 and 2006.

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 profits and historically have been less cyclical than new product sales. Replacement parts accounted for approximately 12% of our net sales in 2008, 13% in 2007 and 14% in 2006.

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 56% of our net sales in 2008, and 57% in 2007 and 2006.

North America

We market and distribute farm machinery, equipment and replacement parts to farmers in North America through a network of approximately 1,100 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 21% of our net sales in 2008, 22% in 2007 and 24% in 2006.

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 400 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 2008, 16% in 2007 and 12% in 2006.

Rest of the World

Outside Europe, North America and South America, we operate primarily through a network of approximately 200 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 5% of our net sales in 2008 and 2007 and 7% in 2006.

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 Turkey and Pakistan. The associate or licensee generally has the exclusive right to produce and sell Massey Ferguson and Valtra equipment in its home country but may not sell these products in other countries. We generally license to these associates 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 Mogi das Cruzes, Brazil; Canoas, Rio Grande do Sul, Brazil; Sumaré, São Paulo, Brazil; and 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 seven to 13 months after shipment with the remaining outstanding equipment balance generally due within 12 to 18 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 and Canada, 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 and Canada, where we generated approximately 20% of our net sales in 2008, 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, 2008, 16.2% and 4.7% 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 0.4% of our net sales during 2008. 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, the majority of interest-bearing receivables in North

America to our United States 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. Under this arrangement, qualified dealers may obtain additional financing through our United States and Canadian retail finance joint ventures.

Retail Financing

Through our 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 retail finance joint ventures can tailor retail finance programs to prevailing market conditions and such programs can enhance our sales efforts.

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. The Suolahti facility produces 75 to 280 horsepower tractors marketed under the Valtra and Massey Ferguson brand names. The Beauvais facility produces 80 to 360 horsepower tractors primarily marketed under the Massey Ferguson and Challenger brand names. The Marktoberdorf facility produces 50 to 360 horsepower tractors marketed under the Fendt brand name and transmissions which we use in tractors produced both in our Marktoberdorf and Beauvais facilities. The Randers facility assembles 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 has been manufacturing mid-range combine harvesters for our Massey Ferguson, Fendt and Challenger brands for distribution in Europe, Africa and the Middle East since 2004. 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 products, 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 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 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.

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 $194.5 million, or 2.3% of net sales, in 2008, $154.9 million, or 2.3% of net sales, in 2007 and $127.9 million, or 2.4% of net sales, in 2006.

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 the engines and exhaust after-treatment systems, as necessary.

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, 2008, we employed approximately 15,600 employees, including approximately 4,250 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 & Media” 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 & Media” 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 & Media” 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 & Media” section.

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Executive Officers of the Registrant

The following table sets forth information as of January 31, 2009 with respect to each person who is an executive officer of the Company.

Name	Age	Positions
Martin H. Richenhagen	56	Chairman of the Board, President and Chief Executive Officer
Garry L. Ball	61	Senior Vice President — Engineering
Andrew H. Beck	45	Senior Vice President — Chief Financial Officer
Norman L. Boyd	65	Senior Vice President — Executive Development
David L. Caplan	61	Senior Vice President — Materials Management, Worldwide
André M. Carioba	57	Senior Vice President and General Manager, South America
Gary L. Collar	52	Senior Vice President and General Manager, EAME and Australia/New Zealand
Robert B. Crain	49	Senior Vice President and General Manager, North America
Randall G. Hoffman	57	Senior Vice President — Global Sales & Marketing and Product Management
Hubertus M. Muehlhaeuser	39	Senior Vice President — Strategy & Integration and General Manager, Eastern Europe & Asia
Lucinda B. Smith	42	Senior Vice President — Human Resources
Hans-Bernd Veltmaat	54	Senior Vice President — Manufacturing & Quality

Martin H. Richenhagen has been President and Chief Executive Officer since July 2004. From January 2003 to February 2004, Mr. Richenhagen was Executive Vice President of Forbo International SA, a flooring material business based in Switzerland. From 1998 to December 2002, Mr. Richenhagen was Group President of Claas KGaA mbH, a global farm equipment manufacturer and distributor. From 1995 to 1998, Mr. Richenhagen was Senior Executive Vice President for Schindler Deutschland Holdings GmbH, a worldwide manufacturer and distributor of elevators and escalators.

Garry L. Ball has been Senior Vice President — Engineering since June 2002. Mr. Ball was Senior Vice President — Engineering and Product Development from June 2001 to June 2002. From 2000 to 2001, Mr. Ball was Vice President of Engineering at CapacityWeb.com. From 1999 to 2000, Mr. Ball was Vice President of Construction Equipment New Product Development at Case New Holland (CNH) Global N.V. Prior to that, he held several key positions including Vice President of Engineering Agricultural Tractor for New Holland N.V., Europe, and Chief Engineer for Tractors at Ford New Holland.

Andrew H. Beck has been Senior Vice President — Chief Financial Officer since June 2002. Mr. Beck was Vice President, Chief Accounting Officer from January 2002 to June 2002, Vice President and Controller from April 2000 to January 2002, Corporate Controller from January 1996 to April 2000, Assistant Treasurer from March 1995 to January 1996 and Controller, International Operations from June 1994 to March 1995.

Norman L. Boyd has been Senior Vice President — Executive Development since January 2009. Mr. Boyd was Senior Vice President — Human Resources for the Company from June 2002 to December 2008, Senior Vice President — Corporate Development from October 1998 to June 2002, Vice President of Europe/Africa/Middle East Distribution from February 1997 to September 1998, Vice President of Marketing, Americas from February 1995 to February 1997 and Manager of Dealer Operations from January 1993 to February 1995.

David L. Caplan has been Senior Vice President — Materials Management, Worldwide since October 2003. Mr. Caplan was Senior Director of Purchasing of PACCAR Inc. from January 2002 to October 2003 and was Director of Operation Support with Kenworth Truck Company from November 1997 to January 2002.

André M. Carioba has been Senior Vice President and General Manager, South America since July 2006. Mr. Carioba held several positions with BMW Group and its subsidiaries worldwide, including President and Chief Executive Officer of BMW Brazil Ltda., from August 2000 to December 2005, Director of Purchasing and Logistics of BMW Brazil Ltda., from September 1998 to July 2000, and Senior Manager for International Purchasing Projects of BMW AG in Germany, from January 1995 to August 1998.

Gary L. Collar has been Senior Vice President and General Manager, EAME and Australia/New Zealand since January 2009. From January 2004 to December 2008, Mr. Collar was Senior Vice President and General Manager, EAME and EAPAC. Mr. Collar was Vice President, Worldwide Market Development for the Challenger Division from May 2002 until January 2004. Between 1994 and 2002, Mr. Collar held various senior executive positions with ZF Friedrichshaven A.G., including Vice President Business Development, North America, from 2001 until 2002, and President and Chief Executive Officer of ZF-Unisia Autoparts, Inc., from 1994 until 2001.

Robert B. Crain has been Senior Vice President and General Manager, North America since January 2006. Mr. Crain held several positions with CNH Global N.V. and its predecessors, including Vice President of New Holland's North America Agricultural Business, from February 2004 to December 2005, Vice President of CNH Marketing North America Agricultural business, from January 2003 to January 2004, and Vice President and General Manager of Worldwide Operations for the Crop Harvesting Division of CNH Global N.V., from January 1999 to December 2002.

Randall G. Hoffman has been Senior Vice President — Global Sales & Marketing and Product Management since November 2005. Mr. Hoffman was the Senior Vice President and General Manager, Challenger Division Worldwide, from January 2004 to November 2005, Vice President and General Manager, Worldwide Challenger Division, from June 2002 to January 2004, Vice President of Sales and Marketing, North America, from December 2001 to June 2002, Vice President, Marketing North America, from April 2001 to November 2001, Vice President of Dealer Operations, from June 2000 to April 2001, Director, Distribution Development, North America, from April 2000 to June 2000, Manager, Distribution Development, North America, from May 1998 to April 2000, and General Marketing Manager, from January 1995 to May 1998.

Hubertus M. Muehlhaeuser has been Senior Vice President — Strategy & Integration and General Manager, Eastern Europe & Asia since January 2009. From September 2005 to December 2008, Mr. Muehlhaeuser was Senior Vice President — Strategy & Integration. Mr. Muehlhaeuser has responsibility for our engines division. Previously, Mr. Muehlhaeuser spent over ten years with Arthur D. Little, Ltd., an international management-consulting firm, where he was made a partner in 1999. From October 2000 to May 2005, he led that firm's Global Strategy and Organization Practice as a member of the firm's global management team, and was the firm's managing director of Switzerland from April 2001 to May 2005.

Lucinda B. Smith has been Senior Vice President — Human Resources since January 2009. Ms. Smith was Vice President, Global Talent Management & Rewards, from May 2008 to December 2008, and was Director of Organizational Development and Compensation, from October 2006 to May 2008. From August 2005 to September 2006, Ms. Smith was Global Director of Human Resources for AJC International, Inc. Ms. Smith also held various domestic and international human resource management positions at Lend Lease Corporation, Cendian Corporation and Georgia-Pacific Corporation.

Hans-Bernd Veltmaat has been Senior Vice President — Manufacturing & Quality since July 2008. Mr. Veltmaat was Group Executive Vice President of Recycling Plants at Alba AG from July 2007 to June 2008. From August 1996 to June 2007, Mr. Veltmaat held various positions with Claas KGaA mbH in Germany, including Group Executive Vice President, a member of the Claas Group Executive Board and Chief Executive Officer of Claas Fertigungstechnik GmbH.

Financial Information on Geographical Areas

For financial information on geographic areas, see pages 105 through 107 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, availability of financing, funding of our postretirement plans, payment of current accrued taxes, tax contingencies, net sales and income, restructuring and other infrequent expenses, impacts of unrecognized actuarial losses related to our pension and postretirement benefit plans, pension investments and funding, elimination of guarantees of retail finance joint venture debt, conversion features of our notes, realization of net deferred tax assets, the impact of certain recent accounting pronouncements, or the fulfillment of working capital needs, are forward-looking statements. In some cases these statements are identifiable through the use of words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "project," "target," "can," "could," "may," "should," "will," "would" and similar expressions. You are cautioned not to place undue reliance on these 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 have a greater 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 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. As a result of the ongoing economic downturn, financing for capital equipment purchases has become more difficult and expensive to obtain. During 2008, 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. 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:

- customer acceptance;
- the efficiency of our suppliers in providing component parts;
- the economy;
- competition; 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. If we are unable to compete successfully against other agricultural equipment manufacturers, we could lose customers and our net sales and profitability may decline. There also can be no assurances that consumers will continue to regard our agricultural equipment favorably due to the features and quality of our products, and we may be unable to develop new products that appeal to consumers or unable to continue to compete successfully in the agricultural equipment business. 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.

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. 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.” This subpoena requested documents concerning transactions in Iraq by AGCO and certain of our subsidiaries under the United Nations Oil for Food Program. Subsequently, we were contacted by the Department of Justice (the

“DOJ”) regarding the same transactions, although no subpoena or other formal process has been initiated by the DOJ. Similar inquiries have been initiated by the Brazilian, Danish, French and U.K. governments regarding subsidiaries of the Company. The inquiries arose from sales of approximately $58.0 million in farm equipment to the Iraq ministry of agriculture between 2000 and 2002. The SEC’s staff has asserted that certain aspects of those transactions were not properly recorded in our books and records. We are cooperating fully in these inquiries, including discussions regarding settlement. It is not possible to predict the outcome of these inquiries or their impact, if any, on us; although if the outcomes were adverse we could be required to pay fines and make other payments as well as take appropriate remedial actions.

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, 2008, we derived approximately $7,075.0 million, or 84%, 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. 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, Brazilian real, the Canadian dollar and the Russian rouble in relation to the United States dollar. 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. As a result, we will likely incur increased capital expenses 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. In addition, 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. We may 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.

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, 2008, we had approximately $180.2 million in unfunded or underfunded obligations related to our pension and other postretirement health care benefits.

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, 2008, we had total long-term indebtedness, including current portions of long-term indebtedness, of approximately $682.1 million, stockholders' equity of approximately $1,957.0 million and a ratio of total indebtedness to equity of approximately 0.35 to 1.0. We also had short-term obligations of $222.5 million, capital lease obligations of $5.0 million, unconditional purchase or other long-term obligations of $380.6 million, and amounts funded under an accounts receivable securitization facility of $483.2 million. In addition, we had guaranteed indebtedness owed to third parties and our retail finance joint ventures of approximately $126.9 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, 2008, the closing sales price of our common stock did not exceed 120% of the conversion price for both 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 notes between current and long-term debt 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 existing $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, 2009, were as follows:

Location	Description of Property	Leased (Sq. Ft.)	Owned (Sq. Ft.)
United States:			
Batavia, Illinois	Parts Distribution	310,200	
Beloit, Kansas	Manufacturing		164,500
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	17,500	
Stoneleigh, United Kingdom	Sales and Administrative office	85,000	
Desford, United Kingdom	Parts Distribution	298,000	
Beauvais, France(1)	Manufacturing		1,144,900
Ennery, France	Parts Distribution		417,500
Marktoberdorf, Germany	Manufacturing	80,600	735,500
Baumenheim, Germany	Manufacturing		463,600
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		75,400

(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 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." This subpoena requested documents concerning transactions in Iraq by AGCO and certain of our subsidiaries under the United Nations Oil for Food Program. Subsequently, we were contacted by the DOJ regarding the same transactions, although no subpoena or other formal process has been initiated by the DOJ. Other inquiries have been initiated by the Brazilian, Danish, French and U.K. governments regarding subsidiaries of AGCO. The inquiries arose from sales of approximately $58.0 million in farm equipment to the Iraq ministry of agriculture between 2000 and 2002. The SEC's staff has asserted that certain aspects of those transactions were not properly recorded in our books and records. We are cooperating fully in these inquiries, including discussions regarding settlement. It is not possible at this time to predict the outcome of these inquiries or their impact, if any, on us; although if the outcomes were adverse, we could be required to pay fines and make other payments as well as take appropriate remedial actions.

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, 2008, not including interest and penalties, was approximately 77.5 million Brazilian reais (or approximately $33.7 million). The amount ultimately in dispute will be greater because of interest, penalties and future deductions. 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 AG. As of the close of business on February 13, 2009, the closing stock price was $20.47, and there were 492 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
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

	High	Low
2007		
First Quarter	$ 39.19	$ 29.18
Second Quarter	45.12	35.96
Third Quarter	50.77	38.15
Fourth Quarter	70.78	49.22

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, 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 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical Consolidated Financial Statements and the related notes. Our operating data and selected balance sheet data as of and for the years ended December 31, 2008, 2007, 2006, 2005 and 2004 were derived from the 2008, 2007, 2006, 2005 and 2004 Consolidated Financial Statements, which have been audited by KPMG LLP, our independent registered public accounting firm. The Consolidated Financial Statements as of December 31, 2008 and 2007 and for the years ended December 31, 2008, 2007 and 2006 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, (In millions, except per share data)				
	2008	2007	2006(2)	2005(2)	2004
Operating Data:					
Net sales	$ 8,424.6	$ 6,828.1	$ 5,435.0	$ 5,449.7	$ 5,273.3
Gross profit	1,499.7	1,191.0	927.8	933.6	952.9
Income from operations	565.0	394.8	68.9	274.7	323.5
Net income (loss)	$ 400.0	$ 246.3	$ (64.9)	$ 31.6	$ 158.8
Net income (loss) per common share — diluted(3)	$ 4.09	$ 2.55	$ (0.71)	$ 0.35	$ 1.71
Weighted average shares outstanding — diluted(3)	97.7	96.6	90.8	90.7	95.6

	As of December 31, (In millions, except number of employees)				
	2008	2007	2006(2)	2005(2)	2004
Balance Sheet Data:					
Cash and cash equivalents	$ 512.2	$ 582.4	$ 401.1	$ 220.6	$ 325.6
Working capital	1,026.7	638.4	685.4	825.8	1,045.5
Total assets	4,954.8	4,787.6	4,114.5	3,861.2	4,297.3
Total long-term debt, excluding current portion(1)	682.0	294.1	577.4	841.8	1,151.7
Stockholders' equity	1,957.0	2,043.0	1,493.6	1,416.0	1,422.4
Other Data:					
Number of employees	15,606	13,720	12,804	13,023	14,313

(1) Holders of our $201.3 million 1³/₄% convertible senior subordinated notes due 2033 and our $201.3 million 1¹/₄% 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 1³/₄% convertible senior subordinated notes and $40.73 per share for our 1¹/₄% 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, 2008, this criteria was not met with respect to both 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 1³/₄% convertible senior subordinated notes, and, therefore, we classified the notes as a current liability.

(2) During the fourth quarter of 2006, we completed our annual impairment analysis of goodwill and other intangible assets under the guidance of Statement of Financial Accounting Standard No. 142, "Goodwill and Other Intangible Assets," and concluded that the goodwill associated with our Sprayer business was impaired. We therefore 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) During the fourth quarter of 2004, we adopted the provisions of Emerging Issues Task Force No. 04-08, which required that shares subject to issuance from contingently convertible debt should be included in the calculation of diluted earnings per share using the if-converted method regardless of whether a market price trigger has been met. We therefore included approximately 9.0 million additional shares of common stock that may have been issued upon conversion of our former 1³/₄% convertible senior subordinated notes in our diluted earnings per share calculation for the year ended December 31, 2004. On June 29, 2005, we completed an exchange of our 1³/₄% convertible senior subordinates notes for new notes that provide for settlement upon conversion in cash up to the principal amount of the converted new notes with any excess conversion value settled in shares of our common stock. The impact of the

exchange resulted in a reduction in the diluted weighted average shares outstanding of approximately 9.0 million shares on a prospective basis. Dilution of weighted shares is dependent on our stock price once the market price trigger or other specified conversion circumstances are met for the excess conversion value using the treasury stock method. Our 1¼% convertible senior subordinated notes issued in December 2006 will also potentially 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 1¾% convertible senior subordinates notes, as the impact would have been antidilutive.

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 2,800 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 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,		
	2008	2007	2006
Net sales	100.0%	100.0%	100.0%
Cost of goods sold	82.2	82.6	82.9
Gross profit	17.8	17.4	17.1
Selling, general and administrative expenses	8.6	9.1	10.0
Engineering expenses	2.3	2.3	2.4
Restructuring and other infrequent expenses	—	—	—
Goodwill impairment charge	—	—	3.1
Amortization of intangibles	0.2	0.2	0.3
Income from operations	6.7	5.8	1.3
Interest expense, net	0.2	0.4	1.0
Other expense, net	0.2	0.6	0.6
Income (loss) before income taxes and equity in net earnings of affiliates	6.3	4.8	(0.3)
Income tax provision	2.0	1.6	1.4
Income (loss) before equity in net earnings of affiliates	4.3	3.2	(1.7)
Equity in net earnings of affiliates	0.5	0.4	0.5
Net income (loss)	4.8%	3.6%	(1.2)%

2008 Compared to 2007

Net income for 2008 was $400.0 million, or $4.09 per diluted share, compared to net income for 2007 of $246.3 million, or $2.55 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 have 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. Population growth, increased protein consumption in Asia and an accelerating trend towards renewable energies have contributed to strengthened demand for farm 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 periods indicated, 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%

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 periods indicated, the percentage relationship to net sales of certain items included in our Consolidated Statements of Operations (in millions, except percentages):

	2008 $	2008 % of Net Sales	2007 $	2007 % 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 increased net sales, 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, in accordance with SFAS No. 123R (Revised 2004), “Share-Based Payment” (“SFAS No. 123R”), as is more fully explained in Note 1 to our Consolidated Financial Statements.

Selling, general and administrative (“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, in accordance with Statement of Financial Accounting Standard ("SFAS") No. 123R, as is more fully explained in Note 1 to our Consolidated Financial Statements. 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 our rationalization of certain parts, sales and marketing and administrative functions in Germany.

Interest expense, net was $19.1 million for 2008 compared to $24.1 million for 2007. The decrease was primarily due to a reduction in debt levels and increased interest income earned during 2008 compared to 2007. See "Liquidity and Capital Resources" for further discussion.

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. SFAS No. 109, "Accounting for Income Taxes" ("SFAS No. 109"), requires the establishment of a valuation allowance when it is more likely than not that some portion or all of a company's deferred tax assets will not be realized. In accordance with SFAS No. 109, 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 $316.6 million and $315.3 million, respectively, primarily related to net operating loss carryforwards in Brazil, Denmark, The Netherlands and the United States. Realization of the remaining deferred tax assets as of December 31, 2008 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.

In 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation ("FIN") No. 48, "Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109. FIN 48 also prescribes a recognition threshold and measurement of a tax position taken or expected to be taken in an enterprise's tax return. FIN 48 was effective for fiscal years beginning after December 15, 2006. Accordingly, we adopted the provisions of FIN 48 on January 1, 2007. 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 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, 2008 and 2007, we had accrued interest and penalties related to unrecognized tax benefits of approximately $1.8 million and $1.1 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 $38.8 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 S.p.A. operating joint venture acquired in September 2007, as well as increased earnings in our retail finance joint ventures. See "Retail Finance Joint Ventures" for further discussion.

2007 Compared to 2006

Net income for 2007 was $246.3 million, or $2.55 per diluted share, compared to a net loss for 2006 of $64.9 million, or $0.71 per diluted share.

Our results for 2007 included the following items:

- restructuring and other infrequent income of $2.3 million, or $0.03 per share, primarily related to a $3.2 million gain on the sale of a portion of the land, buildings and improvements of our Randers, Denmark facility for proceeds of approximately $4.4 million, 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 the rationalization of certain parts, sales and marketing and administrative functions in Germany.

Our results for 2006 included the following items:

- a non-cash goodwill impairment charge of $171.4 million, or $1.81 per share, related to our Sprayer business in accordance with the provisions of SFAS No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142"); and
- restructuring and other infrequent expenses of $1.0 million, or $0.01 per share, primarily related to the rationalization of certain parts, sales, marketing and administrative functions in the United Kingdom and Germany, as well as the rationalization of certain Valtra European sales offices.

Net sales for 2007 were approximately $1,393.1 million, or 25.6%, higher than 2006 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 $394.8 million in 2007 compared to $68.9 million in 2006. Income from operations during 2006 was negatively impacted by a $171.4 million goodwill impairment charge. The increase in income from operations and operating margins during 2007 was due primarily to sales volume growth, improved product mix and cost control initiatives.

In our Europe/Africa/Middle East operations, income from operations improved approximately $118.6 million in 2007 compared to 2006, primarily due to increased sales volumes, currency translation, a better mix of high horsepower tractors and margin improvements achieved through higher production volumes and cost reduction initiatives. Income from operations in our South American operations increased approximately $56.1 million in 2007 compared to 2006, primarily due to sales growth resulting from stronger market conditions, primarily in the major market of Brazil, as well as margin improvement related to higher sales and production as well as cost management. In North America, income from operations increased approximately $2.1 million in 2007 compared to 2006, primarily due to higher sales as a result of improved market conditions. Our results in North America were affected by the negative impacts of currency movements on products sourced from Brazil and Europe. Income from operations in our Asia/Pacific region decreased approximately $0.4 million in 2007 compared to 2006, primarily due to lower operating margins resulting from foreign currency impacts and sales mix.

Retail Sales

Worldwide industry equipment demand for farm equipment increased in 2007 in most major markets. Improved farm income driven by higher farm commodity prices contributed to the improved demand for equipment. Farm commodity prices were 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 increased approximately 1% in 2007 compared to 2006, due to increases in the high horsepower and utility tractor segments, offset by a decrease in the compact tractor segment. Industry unit retail sales of combines increased approximately 13% when compared to the prior year. Our unit retail sales of high horsepower tractors and combines in North America increased while our unit retail sales of utility and compact tractors decreased in 2007 compared to 2006 levels. In Europe, industry unit retail sales of tractors increased approximately 4% in 2007 compared to 2006. Demand was strongest in the high horsepower segment and in the markets of Central and Eastern Europe, the United Kingdom, Scandinavia and France, which offset weaker markets in Spain, Italy and Germany. Our unit retail sales of tractors for 2007 in Europe were also higher when compared to 2006. In South America, industry unit retail sales of tractors in 2007 increased approximately 50% compared to 2006. Retail sales of tractors in the major market of Brazil increased approximately 53% during 2007. Industry unit retail sales of combines during 2007 were approximately 79% higher than the prior year, with an increase in Brazil of approximately 131% compared to the prior year. Our unit retail sales of tractors and combines in South America were also higher in 2007 compared to 2006. In other international markets, our net sales for 2007 were approximately 9.6% lower than the prior year, due to lower sales in the Middle East.

Results of Operations

Net sales for 2007 were $6,828.1 million compared to $5,435.0 million for 2006. The increase was primarily attributable to significant net sales increases in the South America and Europe/Africa/Middle East regions as well as positive currency translation impacts. Currency translation positively impacted net sales by approximately $473.3 million, primarily due to the continued strengthening of the Brazilian real and the Euro. The following table sets forth, for the periods indicated, the impact to net sales of currency translation by geographical segment (in millions, except percentages):

	2007	2006	Change		Change due to Currency Translation	
			$	%	$	%
North America	$ 1,488.1	$ 1,283.8	$ 204.3	15.9%	$ 12.2	1.0%
South America	1,090.6	657.2	433.4	66.0%	101.6	15.5%
Europe/Africa/ Middle East	4,067.1	3,334.4	732.7	22.0%	342.1	10.3%
Asia/Pacific	182.3	159.6	22.7	14.2%	17.4	10.9%
	$ 6,828.1	$ 5,435.0	$ 1,393.1	25.6%	$ 473.3	8.7%

Regionally, net sales in North America increased during 2007 compared to 2006, primarily due to higher sales of high horsepower tractors, combines and hay equipment due to market growth in those segments. In the Europe/Africa/Middle East region, net sales increased in 2007 primarily due to sales growth in tractors and parts, particularly in the markets of France, Germany, the United Kingdom, Scandinavia and Eastern and Central Europe. In South America, net sales increased during 2007 compared to 2006 primarily as a result of a recovery in the major market of Brazil and sales growth in Argentina. In the Asia/Pacific region, net sales increased in 2007 compared to 2006 due to improved industry demand in the region. We estimate that worldwide average price increases during 2007 contributed approximately 1.5% to the increase in net sales. Consolidated net sales of tractors and combines, which consisted of approximately 73% of our net sales in 2007, increased approximately 29% in 2007 compared to 2006. Unit sales of tractors and combines increased approximately 13% during 2007 compared to 2006. 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 periods indicated, the percentage relationship to net sales of certain items included in our Consolidated Statements of Operations (in millions, except percentages):

	2007		2006	
	$	% of Net Sales	$	% of Net Sales
Gross profit	$ 1,191.0	17.4%	$ 927.8	17.1%
Selling, general and administrative expenses	625.7	9.1%	541.7	10.0%
Engineering expenses	154.9	2.3%	127.9	2.4%
Restructuring and other infrequent (income) expenses	(2.3)	—	1.0	—
Goodwill impairment charge	—	—	171.4	3.1%
Amortization of intangibles	17.9	0.2%	16.9	0.3%
Income from operations	$ 394.8	5.8%	$ 68.9	1.3%

Gross profit as a percentage of net sales increased during 2007 as compared to 2006 primarily due to increased net sales, higher production and an improved sales mix, partially offset by negative currency impacts. Margins in North America were affected by the weak United States dollar on products imported from our European and Brazilian manufacturing facilities. Unit production of tractors and combines during 2007 was approximately 20% higher than 2006. Gross margins also benefited from productivity improvements that were achieved through purchasing initiatives, resourcing of components and labor efficiencies. We recorded approximately $1.0 million of stock compensation expense, within cost of goods sold, during 2007 in accordance with SFAS No. 123R as is more fully explained in Note 1 to our Consolidated Financial Statements.

SG&A expenses as a percentage of net sales decreased during 2007 compared to 2006, primarily as a result of higher sales volumes in 2007 and cost control initiatives. We recorded approximately $25.0 million and $3.5 million of stock compensation expense, within SG&A, during 2007 and 2006, respectively, in accordance with SFAS No. 123R, as is more fully explained in Note 1 to our Consolidated Financial Statements. Engineering expenses increased during 2007 as a result of continued spending to fund product improvements and cost reduction projects.

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 our rationalization of certain parts, sales and marketing and administrative functions in Germany. The restructuring and other infrequent expenses in 2006 primarily related to severance costs associated with the rationalization of certain parts, sales, marketing and administrative functions in the United Kingdom and Germany, as well as the rationalization of certain Valtra European sales offices located in Denmark, Norway, Germany and the United Kingdom.

In 2006, sales and operating income of our Sprayer business declined significantly as compared to prior years. This was primarily due to increased competition resulting from updated product offerings from our major competitors and a shift in industry demand away from our strength in the commercial application segment to the farmer-owned segment. In addition, our projections for our Sprayer business did not result in a valuation sufficient to support the carrying amount of the goodwill balance on our Consolidated Balance Sheet attributable to the Sprayer business. As a result, during the fourth quarter of 2006, we recorded a non-cash goodwill impairment charge of $171.4 million related to our Sprayer business in accordance with the provisions of SFAS No. 142. The results of our annual impairment analyses conducted as of October 1, 2007 indicated that no reduction in the carrying amount of goodwill for our other reporting units was required in 2007. Refer to "Critical Accounting Estimates" and Note 1 to our Consolidated Financial Statements for further discussion.

Interest expense, net was $24.1 million for 2007 compared to $55.2 million for 2006. The decrease was primarily due to debt refinancing as well as a reduction in debt levels from 2006. In December 2006, we

issued $201.3 million aggregate principal amount of 1 1/4% convertible senior subordinated notes. The net proceeds received from the issuance of the notes, as well as available cash on hand, were used to repay a portion of our former outstanding United States dollar and Euro denominated term loans, which carried a higher variable interest rate. In June 2007, we repaid the remaining balances of those loans with available cash on hand. See “Liquidity and Capital Resources.”

Other expense, net was $43.4 million in 2007 compared to $32.9 million in 2006. Losses on sales of receivables primarily under our securitization facilities were $36.1 million in 2007 compared to $29.9 million in 2006. The increase during 2007 was primarily due to higher interest rates in 2007 compared to 2006.

We recorded an income tax provision of $111.4 million in 2007 compared to $73.5 million in 2006. In accordance with SFAS No. 109, we assessed the likelihood that our deferred tax assets would be recovered from estimated future taxable income and available income tax planning strategies. In 2007 and 2006, our effective tax rate was negatively impacted by incurring losses in tax jurisdictions where we recorded no tax benefit. The most significant impact related to losses incurred in the United States, where losses were primarily due to lower operating margins, as discussed above. At December 31, 2007 and 2006, we had gross deferred tax assets of $479.1 million and $472.5 million, respectively, including $247.8 million and $246.6 million, respectively, related to net operating loss carryforwards. At December 31, 2007 and 2006, we recorded total valuation allowances as an offset to the gross deferred tax assets of $315.3 million and $291.4 million, respectively, primarily related to net operating loss carryforwards in Brazil, Denmark and the United States.

We adopted the provisions of FIN 48 on January 1, 2007. As a result of our implementation of FIN 48, we did not recognize a material adjustment with respect to liabilities for unrecognized tax benefits during 2007. At December 31, 2007, we had approximately $22.7 million of unrecognized tax benefits, all of which would have impacted our effective tax rate if recognized. As of December 31, 2007, we had approximately $14.0 million 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 succeeding 12 months. We recognize interest and penalties related to uncertain income tax positions in income tax expense. As of December 31, 2007, we had accrued interest and penalties related to unrecognized tax benefits of $1.1 million. See Note 6 to our Consolidated Financial Statements for further discussion of our adoption of FIN 48 and our uncertain income tax positions.

Equity in net earnings of affiliates was $30.4 million in 2007 compared to $27.8 million in 2006. The increase in 2007 was related to our 50% interest in the Laverda operating joint venture acquired in September 2007, as well as increased earnings in our retail finance joint ventures. See “Retail Finance Joint Ventures” for further discussion.

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 (In millions, except per share data)			
	March 31	June 30	September 30	December 31
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)	62.3	133.1	102.6	102.0
Net income per common share — diluted(1)	0.63	1.34	1.04	1.08
2007:				
Net sales	$ 1,332.6	$ 1,711.4	$ 1,613.0	$ 2,171.1
Gross profit	219.4	297.0	307.6	367.0
Income from operations(1)	45.6	110.6	110.4	128.2
Net income(1)	24.5	63.8	76.9	81.1
Net income per common share — diluted(1)	0.26	0.67	0.80	0.82

(1) 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.

For 2007, the quarters ended March 31, June 30, September 30 and December 31 included restructuring and other infrequent (income) expenses of $0.0 million, $0.3 million, $(2.5) million and $(0.1) million, respectively, thereby impacting net income per common share on a diluted basis by $0.00, $0.00, $(0.03) and $0.00, respectively.

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 $3.9 million as of December 31, 2008, and will gradually be eliminated over time. As of December 31, 2008, our capital investment in the retail finance joint ventures, which is included in “Investment in affiliates” on our Consolidated Balance Sheets, was approximately $187.8 million compared to $197.2 million as of December 31, 2007. The total finance portfolio in our retail finance joint ventures was approximately $4.8 billion as of December 31, 2008 and 2007. During 2008, 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 $29.7 million compared to $26.6 million in 2007. The increase during 2008 was due primarily to higher finance revenues generated as a result of higher average retail finance portfolios, particularly in Europe, and the favorable impact of currency translation. The retail finance portfolio in our retail finance joint venture in Brazil was $1.2 billion as of December 31, 2008 compared to $1.3 billion as of December 31, 2007. 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.

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 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. 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 0.03% of net sales in 2008.

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. 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 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, are recorded within "Accrued expenses" within our Consolidated Balance Sheets.

At December 31, 2008, we had recorded an allowance for discounts and sales incentives of approximately $125.1 million. 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 $6.9 million as of December 31, 2008. 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 $6.9 million as of December 31, 2008.

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

SFAS No. 109 requires the establishment of a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized. In accordance with SFAS No. 109, 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, 2008 and 2007, we had gross deferred tax assets of $471.4 million and $479.1 million, respectively, including $210.8 million and $247.8 million, respectively, related to net operating loss carryforwards. At December 31, 2008 and 2007, we recorded total valuation allowances as an offset to the gross deferred tax assets of $316.6 million and $315.3 million, respectively, primarily related to net operating loss carryforwards in Brazil, Denmark, The Netherlands and the United States. Realization of the remaining deferred tax assets as of December 31, 2008 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.

In 2006, the FASB issued FIN 48. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109. FIN 48 also prescribes a recognition threshold and measurement of a tax position taken or expected to be taken in an enterprise's tax return. FIN 48 was effective for fiscal years beginning after December 15, 2006. Accordingly, we adopted the provisions of FIN 48 on January 1, 2007. 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 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, 2008 and 2007, we had accrued interest and penalties related to unrecognized tax benefits of approximately $1.8 million and $1.1 million, respectively. We maintain procedures designed to appropriately reflect uncertain income tax positions in our Consolidated Financial Statements in accordance with the provisions of FIN 48. 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

We provide insurance reserves for our estimates of losses due to claims for worker's compensation, product liability and other liabilities for which we are self-insured. We base these estimates on the ultimate settlement amount of claims, which often have long periods of resolution. We closely monitor the claims to maintain adequate reserves.

Pensions

We have 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, 2008 and 2007, we based the discount rate used to determine the projected benefit obligation for our U.S. pension plans and our Executive Nonqualified Pension Plan by matching the projected cash flows of our plans to the Citigroup Pension Discount Curve. For our non-U.S. plans, we based the discount rate on comparable indices within each of those countries, such as the Merrill Lynch AA-rated corporate bond index in the United Kingdom and the 10+-year iBoxx AA corporate bond yield in Euro zone countries. 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, 2008, the measurement date with respect to our U.S. and U.K. pension plans and all other defined benefit plans is December 31 of each year. We adopted the provisions of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans — an amendment of FASB Statements No. 87, 88, 106 and 132(R)" ("SFAS No. 158"), as of the year ended December 31, 2006. SFAS No. 158 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 2007 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 represent approximately 88% of our consolidated projected benefit obligation as of December 31, 2008. If the discount rate used to determine the 2008 projected benefit obligation for our U.S. pension plans was decreased by 25 basis points, our projected benefit obligation would have increased by approximately $1.4 million at December 31, 2008, and our 2009 pension expense would increase by approximately $0.1 million. If the discount rate used to determine the 2008 projected benefit obligation for our U.S. pension plans was increased by 25 basis points, our projected benefit obligation would have decreased by approximately $1.3 million, and our 2009 pension expense would decrease by approximately $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 $15.2 million at December 31, 2008, and our 2009 pension expense would increase by approximately $1.4 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 $14.6 million at December 31, 2008, and our 2009 pension expense would decrease by approximately $1.4 million.

Unrecognized actuarial losses related to our qualified pension plans were $186.1 million as of December 31, 2008 compared to $126.9 million as of December 31, 2007. The increase in unrecognized losses between years primarily reflects losses as a result of poorer than expected asset returns, partially offset by an increase 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. These losses will be amortized on a straight-line basis over the average remaining service period of active employees expected to receive benefits under most of our qualified defined benefit pension plans. For some 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, 2008, the average amortization period was 18 years for our U.S. pension plans and 11 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, 2009 is approximately $9.1 million compared to approximately $8.3 million during the year ended December 31, 2008.

The weighted average asset allocation of our U.S. pension benefit plans at December 31, 2008 and 2007 are as follows:

Asset Category	2008	2007
Large and small cap domestic equity securities	24%	30%
International equity securities	11%	15%
Domestic fixed income securities	23%	19%
Other investments	42%	36%
Total	100%	100%

The weighted average asset allocation of our non-U.S. pension benefit plans at December 31, 2008 and 2007 are as follows:

Asset Category	2008	2007
Equity securities	39%	47%
Fixed income securities	33%	31%
Other investments	28%	22%
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. Our U.S. target allocation of retirement fund investments is 35% large and small cap domestic equity securities, 15% international equity securities, 20% domestic fixed income securities and 30% invested in other investments. We have 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 our U.S.-based plans, we have tempered this historical indicator with lower expectations for returns on equity investments in the future as well as considered administrative costs of the plans. To date, we have not invested pension funds in our own common stock, and we have no intention of doing so in the future. Our non-U.S. target allocation of retirement fund investments is 42% equity securities, 28% fixed income securities and 30% invested in other 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 target 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. pension plan, we have tempered this historical indicator with a slightly lower expectation of future returns on equity investments as well as plan expenses.

As of December 31, 2008, we had approximately $139.2 million in unfunded or underfunded obligations related to our qualified pension plans, due primarily to our pension plan in the United Kingdom. In 2008, we contributed approximately $31.7 million towards those obligations, and we expect to fund approximately $26.5 million in 2009. 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 £13.5 million per year (or approximately $19.6 million) towards that obligation for the next seven 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
- Expected return on plan assets
- 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, 2008 and 2007, 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 plans 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 98% of our consolidated projected benefit obligation. If the discount rate used to determine the 2008 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, 2008, and our 2009 postretirement benefit expense would increase by a nominal amount. If the discount rate used to determine the 2008 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 2009 pension expense would decrease by a nominal amount.

Unrecognized actuarial losses related to our U.S. postretirement benefit plans were $7.1 million as of December 31, 2008 compared to $4.3 million as of December 31, 2007. The increase in losses primarily reflects an increase in our assumptions regarding future medical costs. 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, 2008, 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, 2009 is approximately $0.3 million, compared to approximately $0.2 million during the year ended December 31, 2008.

As of December 31, 2008, we had approximately $28.6 million in unfunded obligations related to our U.S. and Brazilian postretirement health and life insurance benefit plans. In 2008, we made benefit payments of approximately $2.0 million towards these obligations, and we expect to make benefit payments of approximately $2.0 million towards these obligations in 2009.

For measuring the expected U.S. postretirement benefit obligation at December 31, 2008, we assumed a 8.5% health care cost trend rate for 2009, decreasing to 4.9% by 2060. 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 2009 and the accumulated postretirement benefit obligation at December 31, 2008 (in millions):

	One Percentage Point Increase	One Percentage Point Decrease
Effect on service and interest cost	$ 0.2	$ (0.2)
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

SFAS No. 142 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. 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 reported under the guidance of SFAS No. 131, “Disclosures about Segments of an Enterprise and Related Information,” 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 is determined. 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, 2008 and 2007 indicated that no reduction in the carrying amount of goodwill was required. During 2006, sales and operating income of our Sprayer operations declined significantly as compared to prior years. This was primarily due to increased competition resulting from

updated product offerings from our major competitors and a shift in industry demand away from our strength in the commercial application segment to the farmer-owned segment. In addition, our projections for the Sprayer operations did not result in a valuation sufficient to support the carrying amount of the goodwill balance on our Consolidated Balance Sheet, as there was no excess fair value of the reporting unit over the amounts assigned to its assets and liabilities that could be allocated to the implied fair value of goodwill. As a result, we concluded that the goodwill associated with our Sprayer operations was impaired and recognized a write-down of the total amount of recorded goodwill of approximately $171.4 million during the fourth quarter of 2006. The results of our analyses conducted as of October 1, 2006 associated with our other reporting units indicated that no reduction in their carrying amounts of goodwill was required.

The tests required by SFAS No. 142 require us to 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, 2008, we had approximately $587.0 million of goodwill. While our annual impairment testing in 2008 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.

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. In addition, none of these facilities matures until, at the earliest, December 2010:

- Our $300 million revolving credit facility, as extended in 2008, does not expire until May 2013 (no amounts were outstanding as of December 31, 2008).
- Our €200.0 million (or approximately $279.4 million) $6^{7}/_{8}$% senior subordinated notes do not mature until 2014.
- Absent a significant increase in our stock price, the earliest that we could be required to redeem our $201.3 million $1^{1}/_{4}$% convertible senior subordinated notes is in December 2010 and in December 2013 with respect to our $201.3 million $1^{3}/_{4}$% convertible senior subordinated notes.
- Our $489.7 million securitization facilities in U.S. and Canada, and in Europe do not expire until December 2013 and October 2011, respectively (with outstanding funding of $483.2 million as of December 31, 2008).

In addition, although we are in complete compliance with the financial covenants contained in these facilities and do not foresee any difficulty in continuing to meet the financial covenants, 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 $1^{1}/_{4}$% convertible senior subordinated notes due December 15, 2036 were issued in December 2006, and we received proceeds of approximately $196.4 million, after related fees and expenses. The notes are unsecured obligations and are convertible into cash and shares of our common stock upon

satisfaction of certain conditions, as discussed below. The notes 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. 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 we 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 our 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 our 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 0.0483 shares per $1,000 principal amount at $180.00 per share for the year ended December 15, 2009, 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, we 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 we issue an aggregate number of shares of our common stock upon conversion of the notes in excess of 31.9183 shares per $1,000 principal amount thereof. If the holders of our common stock receive only cash in a fundamental change transaction, then holders of notes will receive cash as well. Holders may convert the notes only under the following circumstances: (1) during any fiscal quarter, if the closing sales price of our common stock exceeds 120% of the conversion price for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter; (2) during the five business day period after a five consecutive trading day period in which the trading price per note for each day of that period was less than 98% of the product of the closing sale price of our common stock and the conversion rate; (3) if the notes have been called for redemption; or (4) upon the occurrence of certain corporate transactions. Beginning December 15, 2013, we may redeem any of the notes at a redemption price of 100% of their principal amount, plus accrued interest. Holders of the notes may require us to repurchase the notes at a repurchase price of 100% of their principal amount, plus accrued interest, on December 15, 2013, 2016, 2021, 2026 and 2031. Holders may also require us to repurchase all or a portion of the notes upon a fundamental change, as defined in the indenture, at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus any accrued and unpaid interest. The notes are senior subordinated obligations and are subordinated to all of our existing and future senior indebtedness and effectively subordinated to all debt and other liabilities of our subsidiaries. The notes are equal in right of payment with our 6$^{7}/_{8}$% senior subordinated notes due 2014 and our 1$^{3}/_{4}$% convertible senior subordinated notes due 2033.

We used the net proceeds received from the issuance of the 1$^{1}/_{4}$% convertible senior subordinated notes, as well as available cash, to repay $196.9 million of our former outstanding United States dollar denominated term loan and €79.1 million of our former outstanding Euro denominated term loan. In addition, we recorded interest expense of approximately $2.0 million for the proportionate write-off of deferred debt issuance costs associated with the former term loan balances that were repaid. Our former United States dollar denominated and Euro denominated term loans are discussed further below.

Our $201.3 million of 1$^{3}/_{4}$% convertible senior subordinated notes due December 31, 2033 were exchanged and issued in June 2005 and provide for (i) the settlement upon conversion in cash up to the principal amount of the converted new 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 new notes are converted in connection with certain change of control transactions occurring prior to December 10, 2010, but otherwise are substantially the same as the old notes. The notes are unsecured obligations and are convertible into cash and shares of our 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 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. 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 we 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 our 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 our 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 13.0 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, 2009, 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, we 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 we issue an aggregate number of shares of our common stock upon conversion of the notes in excess of 58.5823 shares per $1,000 principal amount thereof. If the holders of our 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 our common stock exceeds 120% of the conversion price for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter; (2) during the five business day period after a five consecutive trading day period in which the trading price per note for each day of that period was less than 98% of the product of the closing sale price of our common stock and the conversion rate; (3) if the notes have been called for redemption; or (4) upon the occurrence of certain corporate transactions. Beginning January 1, 2011, we may redeem any of the notes at a redemption price of 100% of their principal amount, plus accrued interest. Holders of the notes may require us to repurchase the notes at a repurchase price of 100% of their principal amount, plus accrued interest, on December 31, 2010, 2013, 2018, 2023 and 2028.

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. As of December 31, 2007, the closing sales price of our common stock had exceeded 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, 2007, and, therefore, we classified both notes as current liabilities. Future classification of the 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. In May 2008, the FASB issued FASB Staff Position ("FSP") APB 14-1, "Accounting for Convertible Debt Instruments That May be Settled in Cash Upon Conversion (including Partial Cash Settlement)." The FSP 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 ("EITF") Issue No. 90-19, "Convertible Bonds with Issuer Options to Settle for Cash Upon Conversion," ("EITF No. 90-19") 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 SFAS No. 154, "Accounting Changes and Error Corrections" ("SFAS No. 154"). The FSP will impact the accounting treatment of our $1^{3}/_{4}$% convertible senior subordinated notes due 2033 and our $1^{1}/_{4}$% 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 life of the convertible notes. The FSP will result in a significant increase in interest expense and, therefore, reduce net income and basic and diluted earnings per share within our Consolidated Statements of Operations. We will adopt the requirements of the FSP on January 1, 2009, and estimate that, upon adoption, our "Retained earnings" balance will be reduced by approximately $37 million, our "Convertible senior subordinated notes" balance will be reduced by approximately $57 million and our "Additional paid-in capital" balance will increase by approximately $57 million, including a deferred tax impact of approximately $37 million. "Interest expense, net" attributable to the convertible senior subordinated notes during the fiscal year ended December 31, 2009 is expected to increase by approximately $15 million, compared to 2008, as a result of the adoption.

On May 16, 2008, we entered into a new $300.0 million unsecured multi-currency revolving credit facility. The new credit facility replaced our former $300.0 million secured multi-currency revolving credit facility. The maturity date of the new facility is May 16, 2013. Interest accrues on amounts outstanding under the new facility, at our 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 new 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 new 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, 2008, we had no outstanding borrowings under the multi-currency revolving credit facility. As of December 31, 2008, we had availability to borrow approximately $291.3 million under the revolving credit facility.

Our former credit facility provided for a $300.0 million multi-currency revolving credit facility, a $300.0 million United States dollar denominated term loan and a €120.0 million Euro denominated term loan. The maturity date of the revolving credit facility was December 2008 and the maturity date for the term loan facility was June 2009. We were required to make quarterly payments towards the United States dollar denominated term loan and Euro denominated term loan of $0.75 million and €0.3 million, respectively (or an amortization of one percent per annum until the maturity date of each term loan). As previously discussed, in December 2006, we used the net proceeds received from the issuance of the $1^{1}/_{4}$% convertible senior subordinated notes, as well as available cash, to repay $196.9 million of the United States dollar denominated term loan and €79.1 million of the Euro denominated term loan. In addition, on June 29, 2007, we repaid the remaining balances of the United States dollar and Euro denominated term loans, totaling $72.5 million and €28.6 million, respectively, with available cash on hand. The revolving credit facility was secured by a majority of our U.S., Canadian, Finnish and U.K.-based assets and a pledge of a portion of the stock of our domestic and material foreign subsidiaries. Interest accrued on amounts outstanding under the revolving credit facility, at our option, at either (1) LIBOR plus a margin ranging between 1.25% and 2.0% based upon our senior debt ratio or (2) the higher of the administrative agent's base lending rate or one-half of one percent over the federal funds rate plus a margin ranging between 0.0% and 0.75% based on our senior debt ratio. Interest accrued on amounts outstanding under the term loans at LIBOR plus 1.75%. The credit facility contained covenants restricting, among other things, the incurrence of indebtedness and the making of certain payments, including dividends. We also had to fulfill financial covenants including, among others, a total debt to EBITDA ratio, a senior debt to EBITDA ratio and a fixed charge coverage ratio, as defined in the facility.

As of December 31, 2007, we had no outstanding borrowings under the former credit facility. As of December 31, 2007, we had availability to borrow $291.1 million under the former revolving credit facility.

Our €200.0 million of 6$^{7}/_{8}$% senior subordinated notes due April 15, 2014 were issued in April 2004. We received proceeds of approximately $234.0 million, after offering related fees and expenses. The 6$^{7}/_{8}$% senior subordinated notes are unsecured obligations and are subordinated in right of payment to any existing or future senior indebtedness. Interest is payable on the notes semi-annually on April 15 and October 15 of each year. Beginning April 15, 2009, we may redeem the notes, in whole or in part, initially at 103.438% of their principal amount, plus accrued interest, declining to 100% of their principal amount, plus accrued interest, at any time on or after April 15, 2012. In addition, before April 15, 2009, we may redeem the notes, in whole or in part, at a redemption price equal to 100% of the principal amount, plus accrued interest and a make-whole premium. The notes include covenants restricting the incurrence of indebtedness and the making of certain restricted payments, including dividends.

Under our securitization facilities, we sell accounts receivable in the United States, Canada and Europe on a revolving basis to commercial paper conduits through a wholly-owned special purpose U.S. subsidiary and a qualifying special purpose entity (“QSPE”) in the United Kingdom. The United States and Canadian securitization facilities expire in December 2013 and the European facility expires in October 2011, but each is subject to annual renewal. In December 2008, we renewed and amended our United States and Canadian securitization facilities extending the expiration date from April 2009 to December 2013. As of December 31, 2008, the aggregate amount of these facilities was $489.7 million. The outstanding funded balance of $483.2 million as of December 31, 2008 has the effect of reducing accounts receivable and short-term liabilities by the same amount. Our risk of loss under the securitization facilities is limited to a portion of the unfunded balance of receivables sold, which is approximately 15% of the funded amount. We maintain reserves for doubtful accounts associated with this risk. If the facilities were terminated, we would not be required to repurchase previously sold receivables but would be prevented from selling additional receivables to the commercial paper conduits.

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

We have an agreement to permit transferring, on an ongoing basis, the majority of our wholesale interest-bearing receivables in North America to our United States and Canadian retail finance joint ventures, AGCO Finance LLC and AGCO Finance Canada, Ltd. We have a 49% ownership interest in these joint ventures. The transfer of the wholesale interest-bearing receivables is without recourse to AGCO and we continue to service the receivables. As of December 31, 2008 and 2007, the balance of interest-bearing receivables transferred to AGCO Finance LLC and AGCO Finance Canada, Ltd. under this agreement was approximately $59.0 million and $73.3 million, respectively.

Cash Flows

Cash flow provided by operating activities was $291.3 million during 2008, compared to $504.3 million during 2007. The decrease in cash flow provided by operating activities during 2008 was primarily due to the increase in our net working capital used to support our growth in sales during 2008, partially offset by an increase in net income. In addition, supplier delays, limited credit in Eastern European and Russian markets and softening demand in the fourth quarter of 2008 caused our inventory levels to increase at year end.

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 $1,026.7 million in working capital at December 31, 2008, as compared with $638.4 million at December 31, 2007. Accounts receivable and inventories, combined, at December 31, 2008 were $304.9 million higher than at December 31, 2007.

Capital expenditures for 2008 were $251.3 million compared to $141.4 million during 2007. Capital expenditures during 2008 were used to support our manufacturing operations, systems initiatives, and the development and enhancement of new and existing products.

In September 2007, we made a $66.8 million investment in Laverda, an operating joint venture that manufactures harvesting equipment, and paid $20.5 million in connection with the acquisition of Industria Agricola Fortaleza Limitada ("SFIL"), in Brazil.

Our debt to capitalization ratio, which is total indebtedness divided by the sum of total indebtedness and stockholders' equity, was 25.8% at December 31, 2008 compared to 25.4% at December 31, 2007.

Contractual Obligations

The future payments required under our significant contractual obligations, excluding foreign currency option and forward contracts, as of December 31, 2008 are as follows (in millions):

	Payments Due by Period				
	Total	2009	2010 to 2011	2012 to 2013	2014 and Beyond
Indebtedness	$ 682.1	$ 0.1	$ —	$ —	$ 682.0
Interest payments related to long-term debt(1)	119.6	25.3	47.0	40.9	6.4
Capital lease obligations	5.0	2.4	2.3	0.3	—
Operating lease obligations	158.1	37.0	50.1	26.4	44.6
Unconditional purchase obligations(2)	90.7	76.5	10.9	3.3	—
Other short-term and long-term obligations(3)	234.7	83.7	47.5	48.6	54.9
Total contractual cash obligations	$ 1,290.2	$ 225.0	$ 157.8	$ 119.5	$ 787.9

	Amount of Commitment Expiration per Period				
	Total	2009	2010 to 2011	2012 to 2013	2014 and Beyond
Standby letters of credit and similar instruments	$ 8.7	$ 8.7	$ —	$ —	$ —
Guarantees	126.9	115.3	10.3	1.3	—
Total commercial commitments and letters of credit	$ 135.6	$ 124.0	$ 10.3	$ 1.3	$ —

(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. As a result of the rationalization of our European combine manufacturing operations during 2004, we entered into an agreement with Laverda to produce certain combine model ranges over a five-year period. The agreement provides that we will purchase a minimum quantity of approximately 83 combines through May 2009, at a cost of approximately €6.7 million (or approximately $9.4 million).

(3) 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 accordance with FIN 48. 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 SFAS No. 140.

Off-Balance Sheet Arrangements

Guarantees

At December 31, 2008, we were obligated under certain circumstances to purchase, through the year 2010, up to approximately $3.0 million of equipment upon expiration of certain operating leases between AGCO Finance LLC and AGCO Finance Canada Ltd., our retail finance joint ventures in North America, and end users. We also maintain a remarketing agreement with these joint ventures whereby we are obligated to

repurchase repossessed inventory at market values. 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.

From time to time, we sell certain trade receivables under factoring arrangements to financial institutions throughout the world. We evaluate the sale of such receivables pursuant to the guidelines of SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities — a Replacement of FASB Statement No. 125," and have determined that these facilities should be accounted for as off-balance sheet transactions in accordance with SFAS No. 140.

At December 31, 2008, we guaranteed indebtedness owed to third parties of approximately $123.9 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 2012. 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, 2008, we had foreign currency forward contracts to buy an aggregate of approximately $419.0 million United States dollar equivalents and foreign currency forward contracts to sell an aggregate of approximately $326.0 million United States dollar equivalents. The outstanding contracts as of December 31, 2008 range in maturity through December 2009. See "Foreign Currency Risk Management" for additional information.

Contingencies

As a result of Brazilian tax legislative changes impacting value added taxes ("VAT"), we have recorded a reserve of approximately $13.9 million and $21.9 million against our outstanding balance of Brazilian VAT taxes receivable as of December 31, 2008 and 2007, 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." This subpoena requested documents concerning transactions in Iraq by AGCO and certain of our subsidiaries under the United Nations Oil for Food Program. Subsequently, we were contacted by the DOJ regarding the same transactions, although no subpoena or other formal process has been initiated by the DOJ. Other inquiries have been initiated by the Brazilian, Danish, French and U.K. governments regarding subsidiaries of AGCO. The inquiries arose from sales of approximately $58.0 million in farm equipment to the Iraq ministry of agriculture between 2000 and 2002. The SEC's staff has asserted that certain aspects of those transactions were not properly recorded in our books and records. We are cooperating fully in these inquiries, including discussions regarding settlement. It is not possible at this time to predict the outcome of these inquiries or their impact, if any, on us; although if the outcomes were adverse, we could be required to pay fines and make other payments as well as take appropriate remedial actions.

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, 2008, not including interest and penalties, was approximately 77.5 million Brazilian reais, (or approximately $33.7 million). The amount ultimately in dispute will be greater because of interest, penalties and future deductions. 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.

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 securitization facilities. 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, 2008, the solvency requirement for the portfolio held by Rabobank was approximately $3.9 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. As discussed previously, at December 31, 2008 we were obligated under certain circumstances to purchase through the year 2010 up to $3.0 million of equipment upon expiration of certain operating leases between AGCO Finance LLC and AGCO Finance Canada Ltd., our retail joint ventures in North America, and end users. We also maintain a remarketing agreement with these joint ventures, as discussed above under "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 joint ventures. The cost of those programs is recognized at the time of sale to our dealers. In addition, as discussed above, we have an agreement to permit transferring, on an ongoing basis, the majority of our wholesale interest-bearing receivables in North America to AGCO Finance LLC and AGCO Finance Canada, Ltd. We have a 49% ownership interest in these joint ventures. The transfer of the wholesale interest-bearing receivables is without recourse to AGCO and we continue to service the receivables. As of December 31, 2008 and 2007, the balance of interest-bearing receivables transferred to AGCO Finance LLC and AGCO Finance Canada, Ltd. under this agreement was approximately $59.0 million and $73.3 million, respectively.

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.

The outlook for the 2009 farm equipment industry reflects significant uncertainty and softening demand in all major farm equipment markets. After record 2008 market conditions, we expect 2009 South American industry retail sales to be down significantly due to dry weather conditions and the impact of the tightened credit environment on planted acreage and crop production. European industry retail sales are expected to decline moderately in 2009, with stronger declines in the credit challenged markets of Central and Eastern Europe and Russia. In North America, we expect 2009 industry retail sales to decline moderately, with lower demand for small tractors reflecting the weakness in the general economy and residential construction. Demand from the professional farming sector in North America is expected to moderate in the second half of the year.

As a result of the weaker industry outlook, our 2009 net sales are expected to decrease compared to 2008 as a result of softer end market demand as well as the impact of unfavorable foreign currency translation. In 2009, projected operating income is expected to be impacted by lower net sales and production volumes as well as by increased engineering expenses for new product development and Tier 4 emission requirements. As a result, net income is expected to decline in 2009 compared to 2008.

Foreign Currency Risk Management

We have significant manufacturing operations in France, Germany, Brazil and Finland, 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, Brazilian real, the Canadian dollar and the Russian rouble in relation to the United States dollar. Fluctuations in the value of foreign currencies create exposures, which can adversely affect our results of operations.

We attempt to manage our transactional foreign exchange exposure by hedging foreign currency cash flow forecasts and commitments arising from the 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 forward or option contracts. Our hedging policy prohibits entering into such contracts for speculative trading purposes. Our translation exposure resulting from translating the financial statements of foreign subsidiaries into United States dollars is not hedged. Our most significant translation exposures are the Euro, 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.

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. As discussed above, we use foreign currency forward contracts to hedge receivables and payables on our Consolidated Balance Sheet and our subsidiaries' balance sheets that are denominated in foreign currencies other than the functional currency. These forward contracts are classified as non-designated derivative instruments. 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. Changes in fair value of non-designated derivative contracts are reported in current earnings. During 2008, 2007 and 2006, we designated certain foreign currency option and forward contracts as cash flow hedges of expected future sales. 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 were recognized. These amounts offset the effect of the changes in foreign exchange rates on the related sale transactions. The amount of the gain recorded in other comprehensive income (loss) that was reclassified to cost of goods sold during the years ended December 31, 2008, 2007 and 2006 was approximately $14.1 million, $4.1 million and $4.0 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, 2008, 2007 and 2006 was approximately $(36.7) million, $7.7 million and $0.1 million, respectively, on an after-tax basis. The outstanding contracts as of December 31, 2008 range in maturity through December 2009.

During 2008, cash was deposited with a financial institution as security against outstanding foreign exchange contracts that mature throughout 2009. As of December 31, 2008, the amount deposited was approximately $33.8 million and was classified as “Restricted cash” in our Consolidated Balance Sheets. The amount posted as security will either increase or decrease in the future depending on the value of the outstanding amount of contracts secured under the arrangement and the relative impact on gains (losses) on the outstanding contracts.

The following is a summary of foreign currency derivative contracts used to hedge currency exposures. The outstanding contracts as of December 31, 2008 range in maturity through December 2009. The net notional amounts and fair value gains or losses as of December 31, 2008 stated in United States dollars are as follows (in millions, except average contract rate):

	Net Notional Amount Buy/(Sell)	Average Contract Rate*	Fair Value Gain/(Loss)
Australian dollar	$ (24.3)	1.57	$ (2.3)
Brazilian real	368.7	2.04	(49.5)
British pound	1.2	0.66	4.2
Canadian dollar	(39.0)	1.24	(0.4)
Euro	(187.7)	0.65	18.3
Japanese yen	24.9	92.74	0.6
Mexican peso	(19.6)	13.56	0.3
New Zealand dollar	(3.1)	1.69	0.1
Norwegian krone	11.3	6.85	(0.2)
Polish zloty	(7.5)	3.08	(0.3)
Russian rouble	(44.8)	30.43	0.1
South African rand	0.3	9.41	—
Swedish krona	10.6	8.44	0.8
Swiss franc	2.0	1.15	1.1
			$ (27.2)

* Per United States dollar

Because these contracts were entered into for hedging purposes, the gains and losses on the contracts would largely be offset by gains and losses on the underlying firm commitment 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, 2008 would have increased by approximately $1.6 million.

We had no interest rate swap contracts outstanding during the years ended December 31, 2008, 2007 and 2006.

Recent Accounting Pronouncements

In December 2008, the FASB affirmed FSP No. FAS 132(R)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets" ("FSP FAS 132(R)-1"). FSP FAS 132(R)-1 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. We will therefore adopt the disclosure requirements for our fiscal year ended December 31, 2009.

In September 2008, the FASB issued FSP FIN 45-4, "An amendment of FIN 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." The FSP requires additional disclosure about the current status of the payment/performance risk of a guarantee. The FSP is effective for financial statements issued for fiscal years and interim periods ending after November 15, 2008, with early adoption encouraged. We adopted the provisions of the FSP as of the year ended December 31, 2008.

In May 2008, the FASB issued FSP APB 14-1. The FSP 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 EITF No. 90-19, 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 SFAS No. 154. The FSP will impact the accounting treatment of our 1$^{3}/_{4}$% convertible senior subordinated notes due 2033 and our 1$^{1}/_{4}$% 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 life of the convertible notes. The FSP will result in a significant increase in interest expense and, therefore, reduce net income and basic and diluted earnings per share within our Consolidated Statements of Operations. We will adopt the requirements of the FSP on January 1, 2009, and estimate that upon adoption, our "Retained earnings" balance will be reduced by approximately $37 million, our "Convertible senior subordinated notes" balance will be reduced by approximately $57 million and our "Additional paid-in capital" balance will increase by approximately $57 million, including a deferred tax impact of approximately $37 million. "Interest expense, net" attributable to the convertible senior subordinated notes during the fiscal year ended December 31, 2009 is expected to increase by approximately $15 million, compared to 2008, as a result of the adoption.

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 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, with early adoption encouraged. We will adopt SFAS No. 161 on January 1, 2009.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations" ("SFAS No. 141R"), and SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements" ("SFAS No. 160"). SFAS No. 141R requires an acquirer to measure the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree at their fair values on the acquisition date, with goodwill being the excess value over the net identifiable assets acquired. SFAS No. 141R also requires the fair value measurement of certain other assets and liabilities related to the acquisition, such as contingencies and research and development. SFAS No. 160 clarifies that a noncontrolling interest in a subsidiary should be reported as equity in a company's consolidated financial statements. Consolidated net income should include the net income for both the parent and the noncontrolling interest, with disclosure of both amounts on a company's consolidated statement of operations. The calculation of earnings per share will

continue to be based on income amounts attributable to the parent. We are required to adopt SFAS No. 141R and SFAS No. 160 on January 1, 2009.

In March 2007, the EITF reached a consensus on EITF Issue No. 06-10, "Accounting for Collateral Assignment Split-Dollar Life Insurance Arrangements" ("EITF 06-10"), which requires that an employer recognize a liability for the postretirement benefit related to a collateral assignment split-dollar life insurance arrangement in accordance with either SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" ("SFAS No. 106") (if, in substance, a postretirement benefit plan exists), or Accounting Principles Board Opinion No. 12 (if the arrangement is, in substance, an individual deferred compensation contract) if the employer has agreed to maintain a life insurance policy during the employee's retirement or provide the employee with a death benefit based on the substantive agreement with the employee. In addition, the EITF reached a consensus that an employer should recognize and measure an asset based on the nature and substance of the collateral assignment split-dollar life insurance arrangement. The EITF observed that in determining the nature and substance of the arrangement, the employer should assess what future cash flows the employer is entitled to, if any, as well as the employee's obligation and ability to repay the employer. EITF 06-10 is effective for fiscal years beginning after December 15, 2007. The adoption of EITF 06-10 on January 1, 2008 did not have a material effect on our consolidated results of operations or financial position.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS No. 159"). SFAS No. 159 provides companies with an option to report selected financial assets and liabilities at fair value and to provide additional information that will help investors and other users of financial statements to understand more easily the effect on earnings of a company's choice to use fair value. It also requires companies to display the fair value of those assets and liabilities for which they have chosen to use fair value on the face of their balance sheets. The adoption of SFAS No. 159 on January 1, 2008 did not have a material effect on our consolidated results of operations or financial position.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS No. 157"). SFAS No. 157 establishes a common definition for fair value to be applied to guidance regarding U.S. generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value and expands disclosure about such fair value measurements. SFAS No. 157 is effective for fair value measures already required or permitted by other standards for fiscal years beginning after November 15, 2007. In November 2007, the FASB proposed a one-year deferral of SFAS No. 157's fair value measurement requirements for nonfinancial assets and liabilities that are not required or permitted to be measured at fair value on a recurring basis. The adoption of SFAS No. 157 on January 1, 2008 did not have a material effect on our consolidated results of operations or financial position.

In June 2006, the EITF reached a consensus on EITF Issue No. 06-4, "Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements" ("EITF 06-4"), which requires the application of the provisions of SFAS No. 106 to endorsement split-dollar life insurance arrangements. SFAS No. 106 would require the Company to recognize a liability for the discounted future benefit obligation that the Company would have to pay upon the death of the underlying insured employee. An endorsement-type arrangement generally exists when the Company owns and controls all incidents of ownership of the underlying policies. EITF 06-4 is effective for fiscal years beginning after December 15, 2007. The adoption of EITF 06-4 on January 1, 2008 did not have a material effect on our consolidated results of operations or financial position.

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 46 and 47 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, 2008 are included in this Item:

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Report of Independent Registered Public Accounting Firm	51
Consolidated Statements of Operations for the years ended December 31, 2008, 2007 and 2006	52
Consolidated Balance Sheets as of December 31, 2008 and 2007	53
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2008, 2007 and 2006	54
Consolidated Statements of Cash Flows for the years ended December 31, 2008, 2007 and 2006	55
Notes to Consolidated Financial Statements	56

The information under the heading "Quarterly Results" of Item 7 on page 30 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, 2008 and 2007, 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, 2008. 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, 2008 and 2007, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2008, 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.

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, 2008, 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 27, 2009 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Atlanta, Georgia
February 27, 2009

AGCO CORPORATION

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

	Years Ended December 31,		
	2008	2007	2006
Net sales	$ 8,424.6	$ 6,828.1	$ 5,435.0
Cost of goods sold	6,924.9	5,637.1	4,507.2
Gross profit	1,499.7	1,191.0	927.8
Selling, general and administrative expenses	720.9	625.7	541.7
Engineering expenses	194.5	154.9	127.9
Restructuring and other infrequent expenses (income)	0.2	(2.3)	1.0
Goodwill impairment charge	—	—	171.4
Amortization of intangibles	19.1	17.9	16.9
Income from operations	565.0	394.8	68.9
Interest expense, net	19.1	24.1	55.2
Other expense, net	20.1	43.4	32.9
Income (loss) before income taxes and equity in net earnings of affiliates	525.8	327.3	(19.2)
Income tax provision	164.6	111.4	73.5
Income (loss) before equity in net earnings of affiliates	361.2	215.9	(92.7)
Equity in net earnings of affiliates	38.8	30.4	27.8
Net income (loss)	$ 400.0	$ 246.3	$ (64.9)
Net income (loss) per common share:			
Basic	$ 4.36	$ 2.69	$ (0.71)
Diluted	$ 4.09	$ 2.55	$ (0.71)
Weighted average number of common and common equivalent shares outstanding:			
Basic	91.7	91.5	90.8
Diluted	97.7	96.6	90.8

See accompanying notes to Consolidated Financial Statements.

AGCO CORPORATION

CONSOLIDATED BALANCE SHEETS
(In millions, except share amounts)

	December 31, 2008	December 31, 2007
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 512.2	$ 582.4
Restricted cash	33.8	—
Accounts and notes receivable, net	815.6	766.4
Inventories, net	1,389.9	1,134.2
Deferred tax assets	56.6	52.7
Other current assets	197.1	186.0
Total current assets	3,005.2	2,721.7
Property, plant and equipment, net	811.1	753.0
Investment in affiliates	275.1	284.6
Deferred tax assets	29.9	89.1
Other assets	69.6	67.9
Intangible assets, net	176.9	205.7
Goodwill	587.0	665.6
Total assets	$ 4,954.8	$ 4,787.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 0.1	$ 0.2
Convertible senior subordinated notes	—	402.5
Accounts payable	1,027.1	827.1
Accrued expenses	799.8	773.2
Other current liabilities	151.5	80.3
Total current liabilities	1,978.5	2,083.3
Long-term debt, less current portion	682.0	294.1
Pensions and postretirement health care benefits	173.6	150.3
Deferred tax liabilities	108.1	163.6
Other noncurrent liabilities	55.6	53.3
Total liabilities	2,997.8	2,744.6
Commitments and Contingencies (Note 12)		
Stockholders' Equity:		
Preferred stock; $0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding in 2008 and 2007	—	—
Common stock; $0.01 par value, 150,000,000 shares authorized, 91,844,193 and 91,609,895 shares issued and outstanding in 2008 and 2007, respectively	0.9	0.9
Additional paid-in capital	973.2	942.7
Retained earnings	1,419.3	1,020.4
Accumulated other comprehensive (loss) income	(436.4)	79.0
Total stockholders' equity	1,957.0	2,043.0
Total liabilities and stockholders' equity	$ 4,954.8	$ 4,787.6

See accompanying notes to Consolidated Financial Statements.

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AGCO CORPORATION

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

	Common Stock		Additional Paid-in Capital	Retained Earnings	Unearned Compensation	Accumulated Other Comprehensive Income (Loss)				Total Stockholders' Equity	Comprehensive Income (Loss)
	Shares	Amount				Defined Benefit Pension Plans	Cumulative Translation Adjustment	Deferred Gains (Losses) on Derivatives	Accumulated Other Comprehensive Income (Loss)		
Balance, December 31, 2005	90,508,221	$ 0.9	$ 894.7	$ 825.4	$ (0.1)	$ (150.1)	$ (158.7)	$ 3.9	$ (304.9)	$ 1,416.0	
Cumulative effect of adjustments from the adoption of SAB No. 108, net of taxes	—	—	—	13.6	—	—	—	—	—	13.6	
Adjusted balance, January 1, 2006	90,508,221	0.9	894.7	839.0	(0.1)	(150.1)	(158.7)	3.9	(304.9)	1,429.6	
Net loss	—	—	—	(64.9)	—	—	—	—	—	(64.9)	$ (64.9)
Issuance of restricted stock	8,832	—	0.2	—	—	—	—	—	—	0.2	
Stock options exercised	660,850	—	10.8	—	—	—	—	—	—	10.8	
Stock compensation	—	—	3.3	—	—	—	—	—	—	3.3	
Reclassification due to the adoption of SFAS No. 123R	—	—	(0.1)	—	0.1	—	—	—	—	—	
Additional minimum pension liability, net of taxes	—	—	—	—	—	6.6	—	—	6.6	6.6	6.6
Deferred gains and losses on derivatives, net	—	—	—	—	—	—	—	0.1	0.1	0.1	0.1
Deferred gains and losses on derivatives held by affiliates, net	—	—	—	—	—	—	—	(2.0)	(2.0)	(2.0)	(2.0)
Adjustment related to the adoption of SFAS No. 158, net of taxes	—	—	—	—	—	(26.8)	—	—	(26.8)	(26.8)	
Change in cumulative translation adjustment	—	—	—	—	—	—	136.7	—	136.7	136.7	136.7
Balance, December 31, 2006	91,177,903	0.9	908.9	774.1	—	(170.3)	(22.0)	2.0	(190.3)	1,493.6	76.5
Net income	—	—	—	246.3	—	—	—	—	—	246.3	246.3
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	—	—	—	—	—	10.6	—	—	10.6	10.6	10.6
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	—	—	—	—	—	—	182.8	—	182.8	182.8	182.8
Balance, December 31, 2007	91,609,895	0.9	942.7	1,020.4	—	(87.1)	160.8	5.3	79.0	2,043.0	515.6
Net income	—	—	—	400.0	—	—	—	—	—	400.0	400.0
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 pursuant to SFAS No. 158:											
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	—	—	—	—	—	—	(418.7)	—	(418.7)	(418.7)	(418.7)
Balance, December 31, 2008	91,844,193	$ 0.9	$ 973.2	$ 1,419.3	$ —	$ (138.4)	$ (257.9)	$ (40.1)	$ (436.4)	$ 1,957.0	$ (115.4)

See accompanying notes to Consolidated Financial Statements.

AGCO CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Years Ended December 31,		
	2008	2007	2006
Cash flows from operating activities:			
Net income (loss)	$ 400.0	$ 246.3	$ (64.9)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	127.4	115.6	98.6
Deferred debt issuance cost amortization	3.2	4.7	6.4
Goodwill impairment charge	—	—	171.4
Amortization of intangibles	19.1	17.9	16.9
Stock compensation	33.3	25.7	3.5
Equity in net earnings of affiliates, net of cash received	(11.0)	(3.5)	(8.8)
Deferred income tax provision	7.3	2.5	10.6
Gain on sale of property, plant and equipment	(0.2)	(2.9)	(0.8)
Write-down of property, plant and equipment	—	—	0.3
Changes in operating assets and liabilities, net of effects from purchase of businesses:			
Accounts and notes receivable, net	(208.4)	(3.0)	32.5
Inventories, net	(374.2)	10.7	66.2
Other current and noncurrent assets	(75.6)	(41.4)	(26.5)
Accounts payable	284.4	54.1	55.1
Accrued expenses	127.4	86.4	44.3
Other current and noncurrent liabilities	(41.4)	(8.8)	37.4
Total adjustments	(108.7)	258.0	507.1
Net cash provided by operating activities	291.3	504.3	442.2
Cash flows from investing activities:			
Purchases of property, plant and equipment	(251.3)	(141.4)	(129.1)
Proceeds from sale of property, plant and equipment	4.9	6.0	3.9
Purchase businesses, net of cash acquired	—	(17.8)	—
Investments in unconsolidated affiliates, net	(0.6)	(68.0)	(2.9)
Restricted cash and other	(32.5)	(2.7)	—
Net cash used in investing activities	(279.5)	(223.9)	(128.1)
Cash flows from financing activities:			
Proceeds from debt obligations	76.5	208.8	538.2
Repayments of debt obligations	(38.1)	(329.5)	(708.2)
Proceeds from issuance of common stock	0.3	8.2	10.8
Payment of minimum tax withholdings on stock compensation	(3.2)	—	—
Payment of debt issuance costs	(1.4)	(0.3)	(4.9)
Net cash provided by (used in) financing activities	34.1	(112.8)	(164.1)
Effects of exchange rate changes on cash and cash equivalents	(116.1)	13.7	30.5
(Decrease) increase in cash and cash equivalents	(70.2)	181.3	180.5
Cash and cash equivalents, beginning of year	582.4	401.1	220.6
Cash and cash equivalents, end of year	$ 512.2	$ 582.4	$ 401.1

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 2,800 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 Financial Accounting Standards Board ("FASB") Interpretation No. 46R, "Consolidation of Variable Interest Entities" ("FIN 46R"). The Company records investments in all other affiliate companies using the equity method of accounting. Other investments 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 FIN 46R 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 2008 were approximately $340.2 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 2008 was approximately $10.5 million. GIMA has overdraft facilities with two third — party financial institutions of up to €3.0 million (and no amounts were outstanding with respect to the overdraft facilities as of December 31, 2008). 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 FIN 46R, 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 minority interest, included in "Other noncurrent liabilities" in the accompanying Consolidated Balance Sheets as of December 31, 2008 and 2007.

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. At December 31, 2008, the Company was obligated under certain circumstances to purchase through the year 2010 up to $3.0 million of equipment upon expiration of certain operating leases between AGCO Finance LLC and AGCO Finance Canada Ltd., its retail joint ventures in North America, and end users. The Company also maintains a remarketing agreement with these joint ventures (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 has an agreement to permit transferring, on an ongoing basis, the majority of its wholesale interest-bearing receivables in North America to AGCO Finance LLC and AGCO Finance Canada, Ltd. The transfer of the receivables is without recourse to the Company, and the Company continues to service the receivables. The Company does not maintain any direct retained interest in the receivables. In analyzing the provisions of FIN 46R, 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, 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 seven to 13 months after shipment with the remaining outstanding equipment balance generally due within 12 to 18 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 Statement of Financial Accounting Standards ("SFAS") No. 52, "Foreign Currency Translation." 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 income (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.

Adoption of SEC Staff Accounting Bulletin No. 108

In September 2006, the Securities and Exchange Commission ("SEC") staff issued Staff Accounting Bulletin 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements" ("SAB 108"). SAB 108 requires that public companies utilize a "dual-approach" to assessing the quantitative effects of financial misstatements. This dual approach includes both an income statement focused assessment, sometimes referred to as the "rollover" method, and a balance sheet focused assessment, sometimes referred to as the "iron curtain" method. The guidance in SAB 108 was adopted during the Company's year ended December 31, 2006. The transition provisions of SAB 108 permitted a company to adjust opening retained earnings for the cumulative effect of immaterial errors related to prior years deemed to be material if corrected in the current year.

Prior to 2006, the Company evaluated uncorrected misstatements utilizing the "rollover" method. In connection with the implementation of SAB 108, in applying the "iron curtain" method, the Company identified two types of uncorrected misstatements that it previously determined were not material to prior years under the rollover method. Under the iron curtain method, these items were deemed to be material to the

Company's financial statements for the year ended December 31, 2006, and, therefore, the Company recorded an adjustment to increase its opening retained earnings balance as of January 1, 2006, by approximately $13.6 million, net of taxes, in accordance with the implementation of SAB 108. Those misstatements consisted of (in millions):

Description	Cumulative Adjustment, Net of Taxes	Nature and Timing of Differences
Excess reserves	$ 10.9	This adjustment primarily related to provisions for reserves that were determined to be in excess of amounts required for previous periods. This misstatement had accumulated over several years and substantially all of the excess amounts had ceased accumulating as of December 31, 2001. The provisions primarily related to medical and general insurance reserves, warranty reserves and legal and non-income tax related contingencies.
Under capitalization of parts inventory volume and purchase-related variances	2.7	This adjustment resulted from the Company's non-GAAP policy in North America prior to 2006 to expense certain volume and purchase related variances with respect to parts inventory.
	$ 13.6	

Cash and Cash Equivalents

The Company considers all investments with an original maturity of three months or less to be cash equivalents. Cash equivalents at December 31, 2008 and 2007 of $419.9 million and $466.2 million, respectively, consisted primarily of overnight repurchase agreements with financial institutions.

Restricted Cash

During 2008, the Company deposited cash with a financial institution as security against outstanding foreign exchange contracts that mature 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. The amount posted as security will either increase or decrease in the future depending on the value of the outstanding amount of contracts secured under the arrangement and the relative impact on gains (losses) on the outstanding contracts. Refer to Note 11 for further discussion related to the Company's foreign exchange contracts.

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.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

For sales in most markets outside of the United States and Canada, 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 and Canada, where approximately 20% of the Company's net sales were generated in 2008, 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, 2008, 16.2% and 4.7% 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 0.4% of the Company's net sales during 2008. 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, the majority of interest-bearing receivables in North America to its United States 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. Under this arrangement, qualified dealers may obtain additional financing through the United States and Canadian retail finance joint ventures.

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 in accordance with Emerging Issues Task Force ("EITF") No. 01-09, "Accounting for Consideration Given by a Vendor to a Customer Including a Reseller of the Vendor's Products," 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, are recorded within "Accrued expenses" within the Company's Consolidated Balance Sheet.

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, 2008 and 2007 were as follows (in millions):

	2008	2007
Sales incentive discounts	$ 125.1	$ 107.9
Doubtful accounts	28.1	34.5
	$ 153.2	$ 142.4

The Company transfers certain accounts receivable to various financial institutions primarily under its accounts receivable securitization facilities (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 SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, a Replacement of SFAS No. 125" ("SFAS No. 140").

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, 2008 and 2007, the Company had recorded $106.0 million and $96.7 million, respectively, as an adjustment for surplus and obsolete inventories. These adjustments are reflected within "Inventories, net."

Inventories, net at December 31, 2008 and 2007 were as follows (in millions):

	2008	2007
Finished goods	$ 484.9	$ 391.7
Repair and replacement parts	396.1	361.1
Work in process	130.5	88.3
Raw materials	378.4	293.1
Inventories, net	$ 1,389.9	$ 1,134.2

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, 2008 and 2007 consisted of the following (in millions):

	2008	2007
Land	$ 54.5	$ 59.4
Buildings and improvements	297.3	301.4
Machinery and equipment	969.9	941.0
Furniture and fixtures	172.7	174.6
Gross property, plant and equipment	1,494.4	1,476.4
Accumulated depreciation and amortization	(683.3)	(723.4)
Property, plant and equipment, net	$ 811.1	$ 753.0

Goodwill and Other Intangible Assets

SFAS No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142"), 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 reported under the guidance of SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," 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 is determined. 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, 2008 and 2007 indicated that no reduction in the carrying

amount of goodwill was required. During 2006, sales and operating income of the Company's Sprayer operations declined significantly as compared to prior years. This was primarily due to increased competition resulting from updated product offerings from the Company's major competitors and a shift in industry demand away from our strength in the commercial application segment to the farmer-owned segment. In addition, the Company's projections for the Sprayer operations did not result in a valuation sufficient to support the carrying amount of the goodwill balance on the Company's Consolidated Balance Sheet, as there was no excess fair value of the reporting unit over the amounts assigned to its assets and liabilities that could be allocated to the implied fair value of goodwill. As a result, the Company concluded that the goodwill associated with its Sprayer operations was impaired and recognized a write-down of the total amount of recorded goodwill of approximately $171.4 million during the fourth quarter of 2006. The results of the Company's analyses conducted as of October 1, 2006 associated with its other reporting units indicated that no reduction in their carrying amounts of goodwill was required.

Changes in the carrying amount of acquired intangible assets during 2008 and 2007 are summarized as follows (in millions):

	Trademarks and Tradenames	Customer Relationships	Patents and Technology	Total
Gross carrying amounts:				
Balance as of December 31, 2006	$ 32.9	$ 89.6	$ 50.1	$ 172.6
Acquisition	0.4	—	—	0.4
Foreign currency translation	0.1	13.4	5.1	18.6
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

	Trademarks and Tradenames	Customer Relationships	Patents and Technology	Total
Accumulated amortization:				
Balance as of December 31, 2006	$ 6.0	$ 28.3	$ 22.5	$ 56.8
Amortization expense	1.2	9.6	7.1	17.9
Foreign currency translation	—	4.7	2.7	7.4
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

	Trademarks and Tradenames
Indefinite-lived intangible assets:	
Balance as of December 31, 2006	$ 92.1
Foreign currency translation	4.1
Balance as of December 31, 2007	96.2
Foreign currency translation	(1.8)
Balance as of December 31, 2008	$ 94.4

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

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, 2008, 2007 and 2006, acquired intangible asset amortization was $19.1 million, $17.9 million and $16.9 million, respectively. The Company estimates amortization of existing intangible assets will be $17.0 million for 2009, $17.0 million for 2010, $9.8 million for 2011, $9.8 million for 2012 and $9.7 million for 2013.

In accordance with SFAS No. 142, the Company 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 goodwill during the years ended December 31, 2008, 2007 and 2006 are summarized as follows (in millions). See Note 2 for further information regarding adjustments related to income taxes:

	North America	South America	Europe/Africa/ Middle East	Consolidated
Balance as of December 31, 2005	$ 174.0	$ 137.0	$ 385.7	$ 696.7
Adjustments related to income taxes	—	(3.1)	13.4	10.3
Impairment of goodwill	(170.9)	—	(0.5)	(171.4)
Foreign currency translation	—	12.5	44.0	56.5
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

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Long-Lived Assets

During 2008, 2007 and 2006, 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 in accordance with the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"). Under SFAS No. 144, 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, 2008 and 2007 consisted of the following (in millions):

	2008	2007
Reserve for volume discounts and sales incentives	$ 169.8	$ 157.2
Warranty reserves	164.3	152.5
Accrued employee compensation and benefits	183.9	176.1
Accrued taxes	135.9	152.7
Other	145.9	134.7
	$ 799.8	$ 773.2

Warranty Reserves

The warranty reserve activity for the years ended December 31, 2008, 2007 and 2006 consisted of the following (in millions):

	2008	2007	2006
Balance at beginning of the year	$ 167.1	$ 136.9	$ 122.8
Accruals for warranties issued during the year	170.3	148.5	124.5
Settlements made (in cash or in kind) during the year	(142.8)	(129.9)	(117.6)
Foreign currency translation	(11.2)	11.6	7.2
Balance at the end of the year	$ 183.4	$ 167.1	$ 136.9

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 $19.1 million and $14.6 million of warranty reserves are included in "Other noncurrent liabilities" in the Company's Consolidated Balance Sheet as of December 31, 2008 and 2007, 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

During the first quarter of 2006, the Company adopted SFAS No. 123R (Revised 2004), "Share-Based Payment" ("SFAS No. 123R"), which is a revision of SFAS No. 123, "Accounting for Stock-Based Compensation." During 2008, 2007 and 2006, the Company recorded approximately $33.5 million, $26.0 million and $3.6 million, respectively, of stock compensation expense in accordance with SFAS No. 123R. Refer to Note 10 for additional information regarding the Company's stock incentive plans that were in place during 2008, 2007 and 2006. Stock compensation expense was recorded as follows (in millions):

	Years Ended December 31,		
	2008	2007	2006
Cost of goods sold	$ 1.5	$ 1.0	$ 0.1
Selling, general and administrative expenses	32.0	25.0	3.5
Total stock compensation expense	$ 33.5	$ 26.0	$ 3.6

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, 2008, 2007 and 2006 totaled approximately $65.6 million, $52.5 million and $39.8 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 $25.7 million, $22.5 million and $19.8 million for the years ended December 31, 2008, 2007 and 2006, respectively.

Interest Expense, Net

Interest expense, net for the years ended December 31, 2008, 2007 and 2006 consisted of the following (in millions):

	2008	2007	2006
Interest expense	$ 53.3	$ 50.5	$ 71.4
Interest income	(34.2)	(26.4)	(16.2)
	$ 19.1	$ 24.1	$ 55.2

Income Taxes

Income taxes are accounted for under the asset and liability method, as prescribed under the provisions of SFAS No. 109, “Accounting for Income Taxes” (“SFAS No. 109”). 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 (Loss) Per Common Share

The computation, presentation and disclosure requirements for income (loss) per share are presented in accordance with SFAS No. 128, “Earnings Per Share.” Basic income (loss) per common share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during each period. Diluted income (loss) 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 (loss) and weighted

average common shares outstanding for purposes of calculating basic and diluted income (loss) per share during the years ended December 31, 2008, 2007 and 2006 is as follows (in millions, except per share data):

	2008	2007	2006
Basic net income (loss) per share:			
Net income (loss)	$ 400.0	$ 246.3	$ (64.9)
Weighted average number of common shares outstanding	91.7	91.5	90.8
Basic net income (loss) per share	$ 4.36	$ 2.69	$ (0.71)
Diluted net income (loss) per share:			
Net income (loss)	$ 400.0	$ 246.3	$ (64.9)
Weighted average number of common shares outstanding	91.7	91.5	90.8
Dilutive stock options, performance share awards and restricted stock awards	0.4	0.3	—
Weighted average assumed conversion of contingently convertible senior subordinated notes	5.6	4.8	—
Weighted average number of common and common share equivalents outstanding for purposes of computing diluted income (loss) per share	97.7	96.6	90.8
Diluted net income (loss) per share	$ 4.09	$ 2.55	$ (0.71)

Stock options and stock-settled stock appreciation rights (“SSARs”) to purchase 0.4 million and 0.1 million shares for the years ended December 31, 2008 and 2006, respectively, were outstanding but not included in the calculation of weighted average common and common equivalent shares outstanding because they had an antidilutive impact. In addition, the weighted average common shares outstanding for purposes of computing diluted net loss per share for the year ended December 31, 2006 did not include the assumed conversion of the Company’s 1$^{3}/_{4}$% convertible senior subordinated notes or the impact of dilutive stock options and SSARs, as the impact would have been antidilutive. The number of shares excluded from the weighted average common shares outstanding for purposes of computing diluted net loss per share for the year ended December 31, 2006 was approximately 1.2 million shares.

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, 2008, 2007 and 2006 are as follows (in millions):

	2008		
	Before-tax Amount	Income Taxes	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	(418.7)	—	(418.7)
Total components of other comprehensive loss	$ (548.6)	$ 33.2	$ (515.4)

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	2007		
	Before-tax Amount	Income Taxes	After-tax Amount
Defined benefit pension plans	$ 116.6	$ (33.4)	$ 83.2
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	182.8	—	182.8
Total components of other comprehensive income	$ 306.4	$ (37.1)	$ 269.3

	2006		
	Before-tax Amount	Income Taxes	After-tax Amount
Additional minimum pension liability	$ 7.8	$ (1.2)	$ 6.6
Unrealized gain on derivatives	0.1	—	0.1
Unrealized loss on derivatives held by affiliates	(2.0)	—	(2.0)
Foreign currency translation adjustments	136.7	—	136.7
Total components of other comprehensive income	$ 142.6	$ (1.2)	$ 141.4

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, 2008, the estimated fair values of the Company’s 6⁷/₈% senior subordinated notes, 1³/₄% convertible notes (Note 7) and 1¹/₄% 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, $201.3 million and $201.3 million, respectively. At December 31, 2007, the estimated fair values of the Company’s 6⁷/₈% senior subordinated notes, 1³/₄% convertible notes (Note 7) and 1¹/₄% convertible notes (Note 7), based on their listed market values, were $293.3 million, $624.4 million and $347.7 million, respectively, compared to their carrying values of $291.8 million, $201.3 million and $201.3 million, respectively.

The Company enters into foreign currency forward contracts to hedge the foreign currency exposure of certain receivables, payables and committed purchases and sales. These contracts are for periods consistent with the exposure being hedged and generally have maturities of one year or less. The Company also enters into foreign currency option and forward contracts designated as cash flow hedges of expected sales. At December 31, 2008 and 2007, the Company had foreign currency contracts outstanding with gross notional amounts of $807.5 million and $657.1 million, respectively. The Company had unrealized losses of approximately $27.2 million and unrealized gains of approximately $14.9 million, respectively, on foreign currency contracts at December 31, 2008 and 2007, respectively. At December 31, 2008 and 2007, approximately $20.7 million and $3.5 million, respectively, of unrealized gains were reflected in the Company’s results of operations, as the gains related to forward 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 $54.1 million of unrealized losses and $11.4 million of unrealized gains as of December 31, 2008 and 2007, respectively, that were reflected in other comprehensive income (loss).

During 2008, 2007 and 2006, the Company designated certain foreign currency option and forward contracts as cash flow hedges of expected sales. 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 sales during the period the sales are recognized. These amounts offset the effect of the changes in foreign exchange rates on the related sale transactions. The amount of the gain included in other comprehensive income (loss) that was reclassified to cost of goods sold during the years ended December 31, 2008, 2007 and 2006 was approximately $14.1 million, $4.1 million and $4.0 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, 2008, 2007 and 2006 was approximately $(36.7) million, $7.7 million and $0.1 million, respectively, on an after-tax basis. The outstanding contracts range in maturity through December 2009.

The notional amounts of foreign exchange option and forward 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 derivative contracts for speculative trading purposes.

Recent Accounting Pronouncements

In December 2008, the FASB affirmed FASB Staff Position ("FSP") No. FAS 132(R)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets" ("FSP FAS 132(R)-1"). FSP FAS 132(R)-1 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 will therefore adopt the disclosure requirements for its fiscal year ended December 31, 2009.

In September 2008, the FASB issued FSP FIN 45-4, "An amendment of FIN 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." The FSP requires additional disclosure about the current status of the payment/performance risk of a guarantee. The FSP is effective for financial statements issued for fiscal years and interim periods ending after November 15, 2008, with early adoption encouraged. The Company adopted the provisions of the FSP as of the year ended December 31, 2008.

In May 2008, the FASB issued FSP Accounting Principles Board ("APB") 14-1, "Accounting for Convertible Debt Instruments That May be Settled in Cash Upon Conversion (including Partial Cash Settlement)." The FSP 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 EITF Issue No. 90-19, "Convertible Bonds with Issuer Options to Settle for Cash Upon Conversion" ("EITF Issue No. 90-19"), 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 SFAS No. 154, "Accounting Changes and Error Corrections" ("SFAS No. 154"). The FSP will impact the accounting treatment of the Company's $1^{3}/_{4}$% convertible senior subordinated notes due 2033 and its $1^{1}/_{4}$% 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 life of the convertible notes. The FSP will result in a significant increase in interest expense and, therefore, reduce net income and basic and diluted earnings per share within the Company's Consolidated Statements of Operations. The Company will adopt the requirements of the FSP on January 1, 2009, and estimates that upon adoption, its "Retained earnings" balance will be reduced by approximately $37 million, its "Convertible

senior subordinated notes" balance will be reduced by approximately $57 million and its "Additional paid-in capital" balance will increase by approximately $57 million, including a deferred tax impact of approximately $37 million. "Interest expense, net" attributable to the convertible senior subordinated notes during the fiscal year ended December 31, 2009 is expected to increase by approximately $15 million, compared to 2008, as a result of the adoption.

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 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, with early adoption encouraged. The Company will adopt SFAS No. 161 on January 1, 2009.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations" ("SFAS No. 141R"), and SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements" ("SFAS No. 160"). SFAS No. 141R requires an acquirer to measure the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree at their fair values on the acquisition date, with goodwill being the excess value over the net identifiable assets acquired. SFAS No. 141R also requires the fair value measurement of certain other assets and liabilities related to the acquisition, such as contingencies and research and development. SFAS No. 160 clarifies that a noncontrolling interest in a subsidiary should be reported as equity in a company's consolidated financial statements. Consolidated net income should include the net income for both the parent and the noncontrolling interest, with disclosure of both amounts on a company's consolidated statement of operations. The calculation of earnings per share will continue to be based on income amounts attributable to the parent. The Company is required to adopt SFAS No. 141R and SFAS No. 160 on January 1, 2009.

In March 2007, the EITF reached a consensus on EITF Issue No. 06-10, "Accounting for Collateral Assignment Split-Dollar Life Insurance Arrangements" ("EITF 06-10"), which requires that an employer recognize a liability for the postretirement benefit related to a collateral assignment split-dollar life insurance arrangement in accordance with either SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" ("SFAS No. 106") (if, in substance, a postretirement benefit plan exists), or Accounting Principles Board Opinion No. 12 (if the arrangement is, in substance, an individual deferred compensation contract) if the employer has agreed to maintain a life insurance policy during the employee's retirement or provide the employee with a death benefit based on the substantive agreement with the employee. In addition, the EITF reached a consensus that an employer should recognize and measure an asset based on the nature and substance of the collateral assignment split-dollar life insurance arrangement. The EITF observed that in determining the nature and substance of the arrangement, the employer should assess what future cash flows the employer is entitled to, if any, as well as the employee's obligation and ability to repay the employer. EITF 06-10 is effective for fiscal years beginning after December 15, 2007. The adoption of EITF 06-10 on January 1, 2008 did not have a material effect on the Company's consolidated results of operations or financial position.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS No. 159"). SFAS No. 159 provides companies with an option to report selected financial assets and liabilities at fair value and to provide additional information that will help investors and other users of financial statements to understand more easily the effect on earnings of a company's choice to use fair value. It also requires companies to display the fair value of those assets and liabilities for which they have chosen to use fair value on the face of their balance sheets. The adoption of SFAS No. 159 on January 1, 2008 did not have a material effect on the Company's consolidated results of operations or financial position.

In September 2006, the FASB issued SFAS No. 157, “Fair Value Measurements” (“SFAS No. 157”). SFAS No. 157 establishes a common definition for fair value to be applied to guidance regarding U.S. generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value and expands disclosure about such fair value measurements. SFAS No. 157 is effective for fair value measures already required or permitted by other standards for fiscal years beginning after November 15, 2007. In November 2007, the FASB proposed a one-year deferral of SFAS No. 157’s fair value measurement requirements for nonfinancial assets and liabilities that are not required or permitted to be measured at fair value on a recurring basis. The adoption of SFAS No. 157 on January 1, 2008 did not have a material effect on the Company’s consolidated results of operations or financial position.

In June 2006, the EITF reached a consensus on EITF Issue No. 06-4, “Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements” (“EITF 06-4”), which requires the application of the provisions of SFAS No. 106 to endorsement split-dollar life insurance arrangements. SFAS No. 106 would require the Company to recognize a liability for the discounted future benefit obligation that the Company would have to pay upon the death of the underlying insured employee. An endorsement-type arrangement generally exists when the Company owns and controls all incidents of ownership of the underlying policies. EITF 06-4 is effective for fiscal years beginning after December 15, 2007. The adoption of EITF 06-4 on January 1, 2008 did not have a material effect on the Company’s consolidated results of operations or financial position.

2. Acquisitions and Joint Venture

On September 28, 2007, the Company acquired 50% of Laverda S.p.A. (“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 has been manufacturing mid-range combine harvesters for AGCO’s Massey Ferguson, Fendt and Challenger brands for distribution in Europe, Africa and the Middle East since 2004. The joint venture also includes Laverda’s ownership in Fella-Werke GMBH (“Fella”), a German manufacturer of grass and hay machinery, and its 30% stake in Gallignani S.p.A. (“Gallignani”), an Italian manufacturer of balers. The addition of the Fella and Gallignani product lines enables the Company to provide a comprehensive harvesting offering to its customers. The investment was financed with available cash on hand. The Company has accounted for the operating joint venture in accordance with APB Opinion No. 18, “The Equity Method of Accounting for Investments in Common Stock” (“APB No. 18”). In accordance with APB No. 18, 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 preliminary estimate of 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 preliminary 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, 2008 and 2007 includes

transaction costs and related fees incurred during 2008 and 2007. 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, 2008 pursuant to guidance provided by APB No. 18 and concluded that there is no indication that impairment exists.

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 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, 2008 was approximately $1.8 million. The escrowed funds are reflected within "Other current assets" and "Other assets" in the Company's Consolidated Balance Sheet as of December 31, 2008 and 2007. 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. The SFIL acquisition was accounted for in accordance with SFAS No. 141, "Business Combinations," and, accordingly, the Company allocated the purchase price to the assets acquired and the liabilities assumed based on a preliminary estimate of their fair values as of the acquisition date. The results of operations for the SFIL acquisition have been included in the Company's Consolidated Financial Statements as of and from the date of acquisition. The Company recorded approximately $7.5 million of goodwill and approximately $0.4 million for an identifiable intangible asset, the SFIL tradename, associated with the acquisition. The acquired intangible asset has a useful life of approximately five years. The net assets acquired include transaction costs and related fees incurred during 2007.

The Company acquired the Valtra tractor and diesel engine operations of Kone Corporation, a Finnish company in January 2004. At the date of acquisition, there were two components of tax-deductible goodwill specifically related to the operations of Valtra Finland. The first component of tax deductible goodwill of approximately $201.1 million related to goodwill for financial reporting purposes, and this asset will generate deferred income taxes in the future as the asset is amortized for income tax purposes. The second component of tax-deductible goodwill of approximately $157.7 million related to tax deductible goodwill in excess of goodwill for financial reporting purposes. The tax benefits associated with this excess will be applied to reduce the amount of goodwill for financial reporting purposes in the future, if and when such tax benefits are

realized for income tax return purposes. During 2006, the Company recorded additional goodwill of approximately €17.7 million (or approximately $23.3 million as of December 31, 2006) associated with the reallocation of certain intangible assets to goodwill for income tax purposes in Finland as well as additional pre-acquisition income tax contingencies identified at a Valtra European sales office. During 2007, the Company recorded a reduction of goodwill of approximately €0.1 million (or approximately $0.2 million as of December 31, 2007) associated with the utilization of certain tax losses during 2007 of certain Valtra European sales offices. During 2008, 2007 and 2006, the Company reduced goodwill for financial reporting purposes by approximately $16.8 million, $7.7 million and $9.9 million, respectively, related to the realization of tax benefits associated with the excess tax basis deductible goodwill.

At the date of acquisition, the Company identified certain income tax contingencies associated with the operations of Valtra Brazil that related to pre-acquisition tax years. During 2006, it was determined that the identified contingencies no longer existed. The Company therefore recognized a reduction in goodwill of approximately $3.1 million associated with the reversal of such contingent liabilities.

3. Restructuring and Other Infrequent Expenses (Income)

The Company recorded restructuring and other infrequent expenses (income) of $0.2 million, $(2.3) million and $1.0 million for the years ended December 31, 2008, 2007 and 2006, respectively. 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. The Company did not record a tax provision associated with the gain on the sale of the Randers property during 2007. The charges in 2006 included severance costs associated with the rationalization of certain parts, sales, marketing and administrative functions in the United Kingdom and Germany, as well as the rationalization of certain Valtra European sales offices located in Denmark, Norway, Germany and the United Kingdom.

Randers, Denmark rationalization

During 2004, the Company announced and initiated a plan to restructure its European combine manufacturing operations located in Randers, Denmark in order to reduce the cost and complexity of the Randers manufacturing operation by simplifying the model range and eliminating the facility's component manufacturing operations. By retaining only the facility assembly operations, the Company reduced the Randers workforce by 298 employees and permanently eliminated 70% of the square footage utilized. The facility's component manufacturing operations ceased in February 2005 and as of December 31, 2005, all affected employees had been terminated and all severance, employee retention and other facility closure costs had been paid. The Company now outsources manufacturing of the majority of parts and components to suppliers and has retained critical key assembly operations at the Randers facility. The plans also included a rationalization of the combine model range assembled in Randers, retaining the production of the high specification, high value combines. During 2004, the Company recorded an $8.2 million write-down of property, plant and equipment associated with the component manufacturing operations in addition to other restructuring charges incurred associated with the rationalization. The impairment charge was based upon the estimated fair value of the assets compared to their carrying value. The estimated fair value of the property, plant and equipment was based on current conditions in the market. The carrying value of the property, plant and equipment was approximately $11.6 million before the $8.2 million impairment charge. The impaired property, plant and equipment associated with the Randers rationalization was reported within the Company's Europe/Africa/Middle East segment. During 2007, the Company sold a portion of the land, buildings and improvements of the Randers facility for proceeds of approximately $4.4 million 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.

Valtra European sales office rationalizations

During 2007, the Company announced the closure of its Valtra sales office located in France. The closure resulted in the termination of approximately 15 employees. The Company recorded severance and other facility closure costs of approximately $0.8 million and $0.2 million associated with the closure during 2007 and 2008, respectively. The Company paid approximately $0.3 million in severance costs during 2007 and paid approximately $0.7 million of severance and other facility closure costs during 2008. As of December 31, 2008, all of the employees had been terminated.

During 2005, the Company announced that it was changing its distribution arrangements for its Valtra and Fendt products in Scandinavia by entering into a distribution agreement with a third-party distributor to distribute Valtra and Fendt equipment in Sweden and Valtra equipment in Norway and Denmark. As a result of this agreement and the decision to close other Valtra European sales offices, the Company initiated the restructuring and closure of its Valtra sales offices located in the United Kingdom, Spain, Denmark and Norway, resulting in the termination of 24 employees. The Danish and Norwegian sales offices were transferred to the third-party Scandinavian equipment distributor in October 2005, which included the transfer of certain employees, assets and lease and supplier contracts. During 2006, the Company recorded $0.1 million of severance costs related to these closures. As of December 31, 2006, all of the employees had been terminated and all severance and other facility closure costs had been paid.

German sales office rationalizations

During 2006, the Company announced the closure of two of its sales offices located in Germany, one of which was a Valtra sales office. The closures resulted in the termination of seven employees. The Company recorded severance costs of approximately $0.5 million associated with the closures during 2006. During 2007, the Company recorded additional severance and relocation costs of approximately $0.1 million associated with these closures and paid approximately $0.6 million of severance and relocation costs. As of December 31, 2007, all of the employees had been terminated and primarily all severance and relocation costs had been paid.

Coventry, United Kingdom Sales and Administrative Office rationalization

During 2006, the Company initiated the restructuring of certain parts, sales, marketing and administrative functions within its Coventry, United Kingdom location, resulting in the termination of 13 employees. The Company recorded severance costs of approximately $0.4 million associated with the restructuring during 2006. All employees had been terminated and all severance costs had been paid as of December 31, 2006.

Valtra Finland administrative and European parts rationalizations

During 2004, the Company initiated the restructuring of certain administrative functions within its Finnish operations, resulting in the termination of 58 employees and recorded severance costs of approximately $1.4 million associated with this rationalization. During 2005 and 2007, the Company paid approximately $1.0 million of severance costs. All of the 58 employees had been terminated during 2006. During the first quarter of 2008, the Company was notified that it could offset the remaining $0.4 million of accrued severance payments against future pension-related refunds from the Finnish government and thus reversed the accrual.

4. Accounts Receivable Securitization

At December 31, 2008 and 2007, the Company had accounts receivable securitization facilities in the United States and Canada and in Europe totaling approximately $489.7 million and $495.9 million, respectively. The United States and Canadian securitization facilities expire in December 2013 and the European facility expires in October 2011, but each is subject to annual renewal. In December 2008, the Company renewed and amended its United States and Canadian securitization facilities, extending the expiration date from April 2009 to December 2013. Outstanding funding under these facilities totaled approximately $483.2 million at December 31, 2008 and $446.3 million at December 31, 2007. The funded balance has the effect of reducing accounts receivable and short-term liabilities by the same amount.

Under these facilities, wholesale accounts receivable are sold on a revolving basis to commercial paper conduits through a wholly-owned special purpose U.S. subsidiary and a qualifying special purpose entity (a "QSPE") in the United Kingdom. The Company has reviewed its accounting for its securitization facilities and its wholly-owned special purpose entity in the United States and its QSPE in the United Kingdom in accordance with SFAS No. 140 and FIN 46R. In the United States, due to the fact that the receivables sold to the commercial paper conduits are an insignificant portion of the conduits' total asset portfolios and such receivables are not siloed, consolidation is not appropriate under FIN 46R, as the Company does not absorb a majority of losses under such transactions. 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 under FIN 46R, 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 in accordance with the provisions of SFAS No. 140.

Losses on sales of receivables primarily from securitization facilities were $27.3 million in 2008, $36.1 million in 2007 and $29.9 million in 2006, and are included in "other expense, net" in the Company's Consolidated Statements of Operations. The losses are 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. Other information related to these facilities and assumptions used in loss calculations are summarized below (dollar amounts in millions):

	United States		Canada		Europe		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
Unpaid balance of receivables sold at December 31	$ 336.2	$ 311.9	$ 74.5	$ 81.9	$ 154.5	$ 163.0	$ 565.2	$ 556.8
Retained interest in receivables sold	$ 55.8	$ 71.5	$ 9.4	$ 21.9	$ 16.2	$ 17.1	$ 82.0	$ 110.5
Credit losses on receivables sold	$ 0.4	$ 2.0	$ 0.1	$ 0.5	$ —	$ —	$ 0.5	$ 2.5
Average liquidation period (months)	2.7	3.1	2.7	3.1	2.1	2.3		
Discount rate	3.6%	5.8%	4.2%	5.2%	4.7%	4.5%		

The Company continues to service the sold receivables and maintains a retained interest in the receivables. 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 securitization facilities is limited to a portion of the unfunded balance of receivables sold, which is approximately 15% of the funded amount. The Company maintains reserves for the portion of the residual interest it estimates is uncollectible. At December 31, 2008 and 2007, approximately $0.1 million and $0.0 million, respectively, of the unpaid balance of receivables sold was past due 60 days or more. At December 31, 2008 and 2007, the fair value of the retained interest recorded was approximately $81.4 million and $108.8 million, respectively, compared to the carrying amount of $82.0 million and

$110.5 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 SFAS No. 157. 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 $0.1 million and $0.1 million, respectively. Assuming a 10% and 20% increase in the discount rate, the fair value of the residual interest would decline by $0.1 million and $0.1 million, respectively. 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. For 2006, the Company received approximately $1,162.4 million from sales of receivables and $5.2 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, 2008 (in millions):

Balance at December 31, 2007	$ 108.8
Realized gains	1.1
Purchases, issuances and settlements	(28.5)
Balance at December 31, 2008	$ 81.4

The Company has an agreement to permit transferring, on an ongoing basis, the majority of its wholesale interest-bearing receivables in North America to AGCO Finance LLC and AGCO Finance Canada, Ltd., its United States and Canadian retail finance joint ventures. The Company has a 49% ownership interest in these joint ventures. The transfer of the receivables is without recourse to the Company, and the Company continues to service the receivables. The Company does not maintain any direct retained interest in the receivables. No servicing asset or liability has been recorded since the estimated fair value of the servicing of the receivables approximates servicing income. As of December 31, 2008 and 2007, the balance of interest-bearing receivables transferred to AGCO Finance LLC and AGCO Finance Canada, Ltd. under this agreement was approximately $59.0 million and $73.3 million, respectively.

5. Investments in Affiliates

Investments in affiliates as of December 31, 2008 and 2007 were as follows (in millions):

	2008	2007
Retail finance joint ventures	$ 187.8	$ 197.2
Manufacturing joint ventures	75.0	75.0
Other joint ventures	12.3	12.4
	$ 275.1	$ 284.6

The manufacturing joint ventures as of December 31, 2008 consisted of a joint venture with a third party manufacturer to produce engines in South America and Laverda, an operating joint venture with the Italian ARGO group that manufactures harvesting equipment (Note 2). 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, 2008, 2007 and 2006 were as follows (in millions):

	2008	2007	2006
Retail finance joint ventures	$ 29.7	$ 26.6	$ 25.8
Manufacturing and other joint ventures	9.1	3.8	2.0
	$ 38.8	$ 30.4	$ 27.8

Summarized combined financial information of the Company's retail finance joint ventures as of December 31, 2008 and 2007 and for the years ended December 31, 2008, 2007 and 2006 were as follows (in millions):

	As of December 31,	
	2008	2007
Total assets	$ 4,780.2	$ 4,564.0
Total liabilities	4,397.0	4,161.6
Partners' equity	383.2	402.4

	For the Years Ended December 31,		
	2008	2007	2006
Revenues	$ 295.6	$ 283.8	$ 232.2
Costs	206.0	200.3	152.3
Income before income taxes	$ 89.6	$ 83.5	$ 79.9

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).

Summarized financial information of the Company's Laverda operating joint venture as of December 31, 2008 and 2007 and for the year ended December 31, 2008 and the three months ended December 31, 2007 were as follows (in millions):

	As of December 31, 2008	As of December 31, 2007
Total assets	$ 283.4	$ 275.4
Total liabilities	141.3	133.4
Partners' equity	142.1	142.0

	For the Year Ended December 31, 2008	For the Three Months Ended December 31, 2007
Revenues	$ 275.6	$ 54.0
Costs	251.2	51.2
Income before income taxes	$ 24.4	$ 2.8

The investment balance in Laverda as of December 31, 2008 and 2007 was $71.1 million and $71.0 million, respectively.

The portion of the Company's retained earnings balance, that represents undistributed retained earnings of equity method investees, was approximately $138.2 million as of December 31, 2008 and $125.1 million as of December 31, 2007.

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, 2008, 2007 and 2006 (in millions):

	2008	2007	2006
United States	$ (53.5)	$ (75.7)	$ (267.1)
Foreign	579.3	403.0	247.9
Income (loss) before income taxes and equity in net earnings of affiliates	$ 525.8	$ 327.3	$ (19.2)

The provision for income taxes by location of the taxing jurisdiction for the years ended December 31, 2008, 2007 and 2006 consisted of the following (in millions):

	2008	2007	2006
Current:			
United States:			
Federal	$ (5.7)	$ (6.7)	$ (6.1)
State	—	—	—
Foreign	163.0	115.6	69.0
	157.3	108.9	62.9
Deferred:			
United States:			
Federal	1.5	0.1	(3.9)
State	—	—	—
Foreign	5.8	2.4	14.5
	7.3	2.5	10.6
	$ 164.6	$ 111.4	$ 73.5

At December 31, 2008, the Company's foreign subsidiaries had approximately $1.9 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.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

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, 2008, 2007 and 2006 is as follows (in millions):

	2008	2007	2006
Provision (benefit) for income taxes at United States federal statutory rate of 35%	$ 184.0	$ 114.6	$ (6.7)
State and local income taxes, net of federal income tax benefit	0.4	(2.0)	(3.8)
Taxes on foreign income which differ from the United States statutory rate	2.0	7.0	14.8
Tax effect of permanent differences	(23.7)	(25.7)	32.4
Change in valuation allowance	1.3	17.4	36.7
Other	0.6	0.1	0.1
	$ 164.6	$ 111.4	$ 73.5

The significant components of the deferred tax assets and liabilities at December 31, 2008 and 2007 were as follows (in millions):

	2008	2007
Deferred Tax Assets:		
Net operating loss carryforwards	$ 210.8	$ 247.8
Sales incentive discounts	51.2	47.2
Inventory valuation reserves	23.0	16.4
Pensions and postretirement health care benefits	63.7	46.2
Warranty and other reserves	75.6	85.1
Other	47.1	36.4
Total gross deferred tax assets	471.4	479.1
Valuation allowance	(316.6)	(315.3)
Total net deferred tax assets	154.8	163.8
Deferred Tax Liabilities:		
Tax over book depreciation and amortization	171.3	181.9
Other	6.8	35.4
Total deferred tax liabilities	178.1	217.3
Net deferred tax liabilities	$ (23.3)	$ (53.5)
Amounts recognized in Consolidated Balance Sheets:		
Deferred tax assets — current	$ 56.6	$ 52.7
Deferred tax assets — noncurrent	29.9	89.1
Other current liabilities	(1.7)	(31.7)
Other noncurrent liabilities	(108.1)	(163.6)
	$ (23.3)	$ (53.5)

The Company recorded net deferred tax liabilities of $23.3 million and $53.5 million as of December 31, 2008 and 2007, respectively. As reflected in the preceding table, the Company established a valuation allowance of $316.6 million and $315.3 million as of December 31, 2008 and 2007, respectively.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The change in the valuation allowance for the years ended December 31, 2008, 2007 and 2006 was an increase of $1.3 million, $23.9 million and $38.6 million, respectively. SFAS No. 109 requires the establishment of a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized. In accordance with SFAS No. 109, 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 adjustment to the valuation allowance at December 31, 2008, 2007 and 2006 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 $660.4 million as of December 31, 2008, with expiration dates as follows: 2011 — $2.4 million, and thereafter or unlimited — $658.0 million. These net operating loss carryforwards include United States net loss carryforwards of $332.0 million and foreign net operating loss carryforwards of $328.4 million. The Company paid income taxes of $152.2 million, $67.0 million and $43.6 million for the years ended December 31, 2008, 2007 and 2006, respectively.

The Company adopted the provisions of FASB Interpretation (“FIN”) No. 48, “Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109” (“FIN 48”) on January 1, 2007. At December 31, 2008 and December 31, 2007, the Company had $20.1 million and $22.7 million, respectively, of unrecognized income tax benefits, all of which would affect the Company’s effective tax rate if recognized. At December 31, 2008 and December 31, 2007, the Company had approximately $7.6 million and $14.0 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, 2008 and December 31, 2007, the Company had accrued interest and penalties related to unrecognized tax benefits of $1.8 million and $1.1 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, 2008 is as follows (in millions):

Gross unrecognized income tax benefits at December 31, 2007	$ 22.7
Additions for tax positions of the current year	4.7
Additions for tax positions of prior years	3.3
Reductions for tax positions of prior years for:	
Settlements during the period	(10.6)
Lapses of applicable statute of limitations	—
Gross unrecognized income tax benefits at December 31, 2008	$ 20.1

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 2008, tax authorities in the United States, France and Germany completed examinations of various open tax years which required settlement payments of approximately $10.6 million. In addition, as of December 31, 2008, a number of foreign examinations 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 2008 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, Finland and Brazil, the 2003 through 2008 tax years generally remain subject to examination by their respective tax authorities.

7. Indebtedness

Indebtedness consisted of the following at December 31, 2008 and 2007 (in millions):

	2008	2007
1 3/4% Convertible senior subordinated notes due 2033	$ 201.3	$ 201.3
1 1/4% Convertible senior subordinated notes due 2036	201.3	201.3
6 7/8% Senior subordinated notes due 2014	279.4	291.8
Other long-term debt	0.1	2.5
	682.1	696.9
Less: Current portion of long-term debt	(0.1)	(0.2)
1 3/4% Convertible senior subordinated notes due 2033	—	(201.3)
1 1/4% Convertible senior subordinated notes due 2036	—	(201.3)
Total indebtedness, less current portion	$ 682.0	$ 294.1

The Company accounts for its 1 3/4% convertible senior subordinated notes due 2033 and its 1 1/4% convertible senior subordinated notes due 2036 as convertible debt. The conversion features have not been separately accounted for apart from the notes as the embedded conversion features would meet the conditions for equity classification in accordance with EITF 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled In, a Company's Own Stock," if they were freestanding instruments.

The Company issued $201.3 million of 1 1/4% convertible senior subordinated notes due December 15, 2036 in December 2006 and received proceeds of approximately $196.4 million, after related fees and expenses. 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. The notes 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 0.0483 shares per

$1,000 principal amount at $180.00 per share for the year ended December 15, 2009, 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 6⅞% senior subordinated notes due 2014 and its 1¾% convertible senior subordinated notes due 2033.

The Company used the net proceeds received from the issuance of the 1¼% convertible senior subordinated notes, as well as available cash, to repay $196.9 million of its former outstanding United States dollar denominated term loan and €79.1 million of its former outstanding Euro denominated term loan. In addition, the Company recorded interest expense of approximately $2.0 million for the proportionate write-off of deferred debt issuance costs associated with the term loan balances that were repaid. The Company's former United States dollar denominated and Euro denominated term loans are discussed further below.

The Company's $201.3 million of 1¾% convertible senior subordinated notes due December 31, 2033 were exchanged and issued in June 2005 and provide for (i) the settlement upon conversion in cash up to the principal amount of the converted new 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 occurring prior to December 10, 2010, but otherwise are substantially the same as the old notes. 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 1¾% 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 13.0 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, 2009, 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. The impact of the exchange completed in June 2005, as discussed above, reduced the diluted weighted average shares outstanding in future periods. The reduction in the diluted shares was approximately 9.0 million shares on a prospective basis and will vary in the future based on the Company's stock price, once the market price trigger or other specified conversion circumstances have been met.

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. As of December 31, 2007, the closing sales price of the Company's common stock had exceeded 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, 2007, and, therefore, the Company classified both notes as current liabilities. Future classification of the notes between current and long-term debt is dependent on the closing sales price of the Company's common stock during future quarters.

In May 2008, the FASB issued FSP APB 14-1. The FSP 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 EITF Issue No. 90-19, 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 SFAS No. 154. The FSP will impact the accounting treatment of the Company's $1^{3}/_{4}$% convertible senior subordinated notes due 2033 and its $1^{1}/_{4}$% 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 life of the convertible notes. The FSP will result in a significant increase in interest expense and, therefore, reduce net income and basic and diluted earnings per share within the Company's Consolidated Statements of Operations. The Company will adopt the requirements of the FSP on January 1, 2009, and estimates that upon adoption, its "Retained earnings" balance will be reduced by approximately $37 million, its "Convertible senior subordinated notes" balance will be reduced by approximately $57 million and its "Additional paid-in capital" balance will increase by approximately $57 million, including a deferred tax impact of approximately $37 million.

On May 16, 2008, the Company entered into a new $300.0 million unsecured multi-currency revolving credit facility. The new credit facility replaced the Company's former $300.0 million secured multi-currency revolving credit facility. The maturity date of the new facility is May 16, 2013. Interest accrues on amounts outstanding under the new 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 new 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 new 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, 2008, the Company had no outstanding borrowings under the new facility. As of December 31, 2008, the Company had availability to borrow $291.3 million under the new facility.

The Company's former credit facility provided for a $300.0 million multi-currency revolving credit facility, a $300.0 million United States dollar denominated term loan and a €120.0 million Euro denominated term loan. The maturity date of the revolving credit facility was December 2008 and the maturity date for the term loan facility was June 2009. The Company was required to make quarterly payments towards the United States dollar denominated term loan and Euro denominated term loan of $0.75 million and €0.3 million, respectively (or an amortization of one percent per annum until the maturity date of each term loan). As previously discussed, in December 2006, the Company used the net proceeds received from the issuance of the $1\frac{1}{4}$% convertible senior subordinated notes, as well as available cash, to repay $196.9 million of the United States dollar denominated term loan and €79.1 million of the Euro denominated term loan. In addition, on June 29, 2007, the Company repaid the remaining balances of the United States dollar and Euro denominated term loans, totaling $72.5 million and €28.6 million, respectively, with available cash on hand. The revolving credit facility was secured by a majority of the Company's U.S., Canadian, Finnish and U.K. — based assets and a pledge of a portion of the stock of the Company's domestic and material foreign subsidiaries. Interest accrued on amounts outstanding under the revolving credit facility, at the Company's option, at either (1) LIBOR plus a margin ranging between 1.25% and 2.0% based upon the Company's senior debt ratio or (2) the higher of the administrative agent's base lending rate or one-half of one percent over the federal funds rate plus a margin ranging between 0.0% and 0.75% based on the Company's senior debt ratio. Interest accrued on amounts outstanding under the term loans at LIBOR plus 1.75%. The credit facility contained covenants restricting, among other things, the incurrence of indebtedness and the making of certain payments, including dividends. The Company also had to fulfill financial covenants including, among others, a total debt to EBITDA ratio, a senior debt to EBITDA ratio and a fixed charge coverage ratio, as defined in the facility. As of December 31, 2007, the Company had no outstanding borrowings under the former credit facility. As of December 31, 2007, the Company had availability to borrow $291.1 million under the former revolving credit facility.

The Company's €200.0 million of $6\frac{7}{8}$% senior subordinated notes due April 15, 2014 were issued in April 2004. The Company received proceeds of approximately $234.0 million, after offering related fees and expenses. The $6\frac{7}{8}$% senior subordinated notes 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 $6\frac{7}{8}$% per

annum, payable semi-annually on April 15 and October 15 of each year. Beginning April 15, 2009, the Company may redeem the notes, in whole or in part, initially at 103.438% of their principal amount, plus accrued interest, declining to 100% of their principal amount, plus accrued interest, at any time on or after April 15, 2012. In addition, before April 15, 2009, the Company may redeem the notes, in whole or in part, at a redemption price equal to 100% of the principal amount, plus accrued interest and a make-whole premium. The notes include certain covenants restricting the incurrence of indebtedness and the making of certain restrictive payments, including dividends.

At December 31, 2008, the aggregate scheduled maturities of long-term debt, excluding the current portion of long-term debt, are as follows (in millions):

2010	$ —
2011	—
2012	—
2013	—
2014	279.4
Thereafter	402.6
	$ 682.0

Cash payments for interest were $50.4 million, $51.1 million and $70.5 million for the years ended December 31, 2008, 2007 and 2006, respectively.

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, 2008 and 2007, outstanding letters of credit issued under the revolving credit facility totaled $8.7 million and $8.9 million, respectively.

8. Employee Benefit Plans

The Company has 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.

Effective December 31, 2006, the Company adopted the recognition and disclosure provisions of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans — an amendment of FASB Statements No. 87, 88, 106 and 132(R)" ("SFAS No. 158"). The key changes under SFAS No. 158 as compared to FASB Statements No. 87, 88, 106 and 132(R) were as follows: (a) recognition of funded status in the statement of financial position, which is measured as the difference between the fair value of plan assets and the benefit obligation (the projected benefit obligation for defined benefit pension plans and the accumulated postretirement benefit obligation for other postretirement plans); (b) recognition of unamortized amounts in accumulated other comprehensive income (loss); (c) elimination of the use of an early measurement date; and (d) additional disclosures, such as certain effects on net periodic benefit cost for the next fiscal year that arise from delayed recognition of the gains or losses, prior service costs or credits, and transition assets or obligations, as well as disclosure of current and noncurrent components of the assets and liabilities of a company's defined benefit pension and other postretirement plans.

As discussed above, SFAS No. 158 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 SFAS No. 158 was effective for years ending after December 15, 2008. The Company adopted the measurement provisions of SFAS No. 158 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 paragraph 19 of SFAS No. 158 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.

Prior to the adoption of the recognition provisions of SFAS No. 158, the Company accounted for its defined benefit pension plans under SFAS No. 87 "Employers' Accounting for Pensions" ("SFAS No. 87") and its postretirement health care plans under SFAS No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions" ("SFAS No. 106"), as well as the disclosure provisions under SFAS No. 132(R), "Employers Disclosures about Pensions and Other Postretirement Benefits — An Amendment of FASB Statements No. 87, 88 and 106." SFAS No. 87 required that a liability (referred to in the Statement as the additional minimum pension liability) be recorded when the accumulated benefit obligation exceeded the fair value of plan assets. Adjustments were recorded as non-cash charges to the Company's accumulated other comprehensive loss within stockholders' equity reflected as "additional minimum liability adjustments." SFAS No. 106 required that the liability recorded should represent the actuarial present value of all future benefits attributable to an employee's service rendered to date, with no requirement to reflect an additional minimum liability for the difference between the accumulated benefit obligation and plan assets, if any. Upon adoption of the recognition provisions of SFAS No. 158, the Company recognized the difference between the projected benefit obligation, which includes the impact of future salary increases, and the accumulated benefit obligation related to its defined pension benefit plans, as well as the entire obligation related to its unfunded postretirement health care and life insurance benefit plans in the United States. This resulted in an increase to accumulated other comprehensive loss of approximately $26.8 million, net of taxes, an increase to liabilities of approximately $37.5 million, an increase to other noncurrent assets of approximately $1.6 million and an increase to noncurrent deferred tax assets of approximately $9.1 million.

Net annual pension costs for the years ended December 31, 2008, 2007 and 2006 are set forth below (in millions):

Pension benefits	2008	2007	2006
Service cost	$ 9.6	$ 8.6	$ 5.0
Interest cost	42.0	43.7	40.4
Expected return on plan assets	(42.5)	(43.6)	(38.6)
Amortization of net actuarial loss	8.3	14.9	19.8
Amortization of prior service credit	(0.3)	(0.2)	(0.2)
Curtailment/settlement loss (gain)	0.6	—	(0.4)
Net annual pension cost	$ 17.7	$ 23.4	$ 26.0

The weighted average assumptions used to determine the net annual pension costs for the Company's pension plans for the years ended December 31, 2008, 2007 and 2006 are as follows:

	2008	2007	2006
All plans:			
Weighted average discount rate	5.9%	5.1%	5.0%
Weighted average expected long-term rate of return on plan assets	7.1%	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%	5.8%	5.5%
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, 2008, 2007 and 2006 are set forth below (in millions, except percentages):

Postretirement benefits	2008	2007	2006
Service cost	$ —	$ 0.1	$ 0.2
Interest cost	1.5	1.4	1.7
Amortization of prior service credit	(0.3)	(0.2)	(0.1)
Amortization of unrecognized net loss	0.2	0.1	0.6
Other	0.1	0.2	—
Net annual postretirement benefit cost	$ 1.5	$ 1.6	$ 2.4
Weighted average discount rate	6.25%	5.8%	5.5%

The following tables set forth reconciliations of the changes in benefit obligation, plan assets and funded status as of December 31, 2008 and 2007 (in millions). Pursuant to the measurement date provision of SFAS No. 158, the change in the Company's benefit obligation for 2008 reflects 15 months of activity related to the Company's U.K. pension plan:

	Pension Benefits		Postretirement Benefits	
Change in benefit obligation	2008	2007	2008	2007
Benefit obligation at beginning of year	$ 777.0	$ 858.9	$ 25.6	$ 26.7
Service cost	10.6	8.6	—	0.1
Interest cost	51.5	43.7	1.5	1.4
Plan participants' contributions	2.0	1.1	—	—
Actuarial (gain) loss	(82.1)	(105.8)	3.0	0.7
Amendments	—	—	0.4	(1.4)
Settlements	(1.8)	—	—	—
Benefits paid	(53.5)	(47.3)	(2.0)	(2.1)
Other	1.9	—	0.1	0.2
Foreign currency exchange rate changes	(167.1)	17.8	—	—
Benefit obligation at end of year	$ 538.5	$ 777.0	$ 28.6	$ 25.6

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Change in plan assets	Pension Benefits		Postretirement Benefits	
	2008	2007	2008	2007
Fair value of plan assets at beginning of year	$ 657.8	$ 620.3	$ —	$ —
Actual return on plan assets	(98.9)	37.3	—	—
Employer contributions	31.7	37.1	2.0	2.1
Plan participants' contributions	2.0	1.1	—	—
Benefits paid	(53.5)	(47.3)	(2.0)	(2.1)
Settlements	(1.8)	—	—	—
Other	1.6	—	—	—
Foreign currency exchange rate changes	(139.6)	9.3	—	—
Fair value of plan assets at end of year	$ 399.3	$ 657.8	$ —	$ —
Funded status	$ (139.2)	$ (119.2)	$ (28.6)	$ (25.6)
Unrecognized net actuarial loss	186.1	126.9	7.1	4.3
Unrecognized prior service credit	(2.5)	(2.7)	(0.8)	(1.6)
Accumulated other comprehensive loss	(183.6)	(124.2)	(6.3)	(2.7)
Net amount recognized	$ (139.2)	$ (119.2)	$ (28.6)	$ (25.6)
Amounts recognized in Consolidated Balance Sheets:				
Other long-term asset	$ —	$ 1.7	$ —	$ —
Other current liabilities	(4.2)	(3.9)	(1.9)	(2.0)
Pensions and postretirement health care benefits (noncurrent)	(135.0)	(117.0)	(26.7)	(23.6)
Net amount recognized	$ (139.2)	$ (119.2)	$ (28.6)	$ (25.6)

Accrued pension costs of approximately $2.6 million and $2.2 million have been classified as current liabilities within "Accrued expenses" in the Company's Consolidated Balance Sheets as of December 31, 2008 and 2007, respectively, related to the Company's phased retirement plan obligations in Germany.

As of December 31, 2008, the Company's accumulated other comprehensive loss included a net actuarial loss of approximately $186.1 million and a net prior service credit of approximately $2.5 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, 2009 are approximately $9.1 million and $0.2 million, respectively.

As of December 31, 2008, the Company's accumulated other comprehensive loss included a net actuarial loss of approximately $7.1 million and a net prior service credit of approximately $0.8 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, 2009 are approximately $0.3 million and $0.3 million, respectively.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The weighted average assumptions used to determine the benefit obligation for the Company's pension plans as of December 31, 2008 and 2007 are as follows:

	2008	2007
All plans:		
Weighted average discount rate	6.6%	5.9%
Rate of increase in future compensation	3.0-4.0%	3.0-4.0%
U.S.-based plans:		
Weighted average discount rate	6.25%	6.25%
Rate of increase in future compensation	N/A	N/A

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 $561.1 million, $509.5 million and $393.8 million, respectively, as of December 31, 2008 and $755.5 million, $690.9 million and $599.6 million, respectively, as of December 31, 2007. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the Company's U.S.-based pension plans were $46.2 million, $46.2 million and $30.8 million, respectively, as of December 31, 2008, and $46.7 million, $46.7 million and $46.5 million, respectively, as of December 31, 2007. 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. The Company's accumulated comprehensive income as of December 31, 2007 reflects a reduction of equity of $126.9 million, net of taxes of $40.7 million, primarily related to the Company's U.K. pension plan where the projected benefit obligation exceeded the plan assets.

For the years ended December 31, 2008 and 2007, 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 plans to the Citigroup Pension Discount Curve. For its non-U.S. plans, the Company based the discount rate on comparable indices within each of those countries, such as the Merrill Lynch AA-rated corporate bond index in the United Kingdom and the 10+-year iBoxx AA Euro corporate bond yield in Euro zone countries. 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.

The weighted average asset allocation of the Company's U.S. pension benefit plans at December 31, 2008 and 2007 are as follows:

Asset Category	2008	2007
Large and small cap domestic equity securities	24%	30%
International equity securities	11%	15%
Domestic fixed income securities	23%	19%
Other investments	42%	36%
Total	100%	100%

The weighted average asset allocation of the Company's non-U.S. pension benefit plans at December 31, 2008 and 2007 are as follows:

Asset Category	2008	2007
Equity securities	39%	47%
Fixed income securities	33%	31%
Other investments	28%	22%
Total	100%	100%

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 Company's U.S. target allocation of retirement fund investments is 35% large and small cap domestic equity securities, 15% international equity securities, 20% domestic fixed income securities and 30% invested in other 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 expectations for returns on equity investments in the future as well as administrative costs of the plans. To date, the Company has not invested pension funds in its own stock, and has no intention of doing so in the future. The Company's non-U.S. target allocation of retirement fund investments is 42% equity securities, 28% fixed income securities and 30% invested in other 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 target 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 pension plan, the Company has tempered this historical indicator with a slightly lower expectation of future returns on equity investments as well as plan expenses.

The weighted average discount rate used to determine the benefit obligation for the Company's postretirement benefit plans for the years ended December 31, 2008 and 2007 was 6.33% and 6.25%, respectively.

For measuring the expected U.S. postretirement benefit obligation at December 31, 2008, the Company assumed a 8.5% health care cost trend rate for 2009, decreasing to 4.9% by 2060. For measuring the expected postretirement benefit obligation at December 31, 2007, a 9% health care cost trend rate was assumed for 2007, decreasing 1.0% per year to 5.0% and remaining at that level thereafter. 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 2009 and the accumulated postretirement benefit obligation at December 31, 2008 (in millions):

	One Percentage Point Increase	One Percentage Point Decrease
Effect on service and interest cost	$ 0.2	$ (0.2)
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 2009 will aggregate approximately $0.2 million. The Company currently estimates its benefit payments for 2009 to its U.S.-based postretirement health care and life insurance benefit plans will aggregate approximately $2.0 million. The Company currently estimates its minimum contributions for underfunded plans and benefit payments for unfunded plans for 2009 to its non-U.S.- based defined pension plans will aggregate approximately $26.3 million, of which approximately $19.2 million relates to its U.K. pension plan.

During 2008, approximately $53.5 million of benefit payments were made related to the Company's pension plans. At December 31, 2008, the aggregate expected benefit payments for all of the Company's pension plans are as follows (in millions):

2009	$ 35.6
2010	36.3
2011	36.5
2012	37.0
2013	37.5
2014 through 2018	201.4
	$ 384.3

During 2008, approximately $2.0 million of benefit payments were made related to the Company's U.S. and Brazilian postretirement benefit plans. At December 31, 2008, the aggregate expected benefit payments for the Company's U.S. and Brazilian postretirement benefit plans are as follows (in millions):

2009	$ 2.0
2010	2.0
2011	2.0
2012	2.1
2013	2.1
2014 through 2018	10.9
	$ 21.1

The Company's former Supplemental Executive Retirement Plan ("SERP") was an unfunded plan that provided Company executives with retirement income for a period of ten years based on a percentage of their final base salary, reduced by the executive's social security benefits and 401(k) employer matching contributions account. Prior to January 1, 2007, the benefit paid to the executive was equal to 3% of the final base salary times credited years of service, with a maximum benefit of 60% of the final base salary. Benefits under the SERP vested at age 65 or, at the discretion of the Company's Board of Directors, at age 62 reduced by a factor to recognize early commencement of the benefit payments. On November 3, 2006, the Company entered into an Executive Nonqualified Pension Plan, effective January 1, 2007 (the "2007 ENPP"), which amended and restated the Company's SERP.

The 2007 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 2007 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 2007 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 2007 ENPP and SERP cost and the measurement assumptions for the plans for the years ended December 31, 2008, 2007 and 2006 are set forth below (in millions, except percentages):

	2008	2007	2006
Service cost	$ 1.1	$ 1.1	$ 0.9
Interest cost	0.6	0.6	0.5
Amortization of prior service cost	0.5	0.6	0.4
Recognized actuarial gain	(0.2)	(0.1)	—
Net annual ENPP/SERP costs	$ 2.0	$ 2.2	$ 1.8
Discount rate	6.25%	5.8%	5.5%
Rate of increase in future compensation	5.0%	5.0%	5.0%

The following tables set forth reconciliations of the changes in benefit obligation and funded status as of December 31, 2008 and 2007 (in millions):

Change in benefit obligation	2008	2007
Benefit obligation at beginning of year	$ 10.2	$ 10.3
Service cost	1.1	1.1
Interest cost	0.6	0.6
Actuarial loss (gain)	0.9	(1.4)
Benefits paid	(0.4)	(0.4)
Benefit obligation at end of year	$ 12.4	$ 10.2
Funded status	$ (12.4)	$ (10.2)
Unrecognized net actuarial gain	(2.0)	(3.1)
Unrecognized prior service cost	3.4	4.0
Accumulated other comprehensive loss	(1.4)	(0.9)
Net amount recognized	$ (12.4)	$ (10.2)
Amounts recognized in Consolidated Balance Sheets:		
Other current liabilities	$ (0.5)	$ (0.5)
Pensions and postretirement health care benefits (noncurrent)	(11.9)	(9.7)
Net amount recognized	$ (12.4)	$ (10.2)

The weighted average discount rate used to determine the benefit obligation for the 2007 ENPP for the years ended December 31, 2008 and 2007 was 6.25% and 6.25%, respectively.

At December 31, 2008, the Company's accumulated other comprehensive loss included a net actuarial gain of approximately $2.0 million and a net prior service cost of approximately $3.4 million related to the 2007 ENPP. The estimated net actuarial gain and net prior service cost related to the 2007 ENPP that will be amortized from the Company's accumulated other comprehensive loss during the year ended December 31, 2009 are approximately $0.1 million and $0.5 million, respectively.

In accordance with SFAS No. 158, at December 31, 2008 and 2007 the Company recorded a reduction to equity of $1.4 million and $0.9 million, respectively, related to the unfunded projected benefit obligation of the 2007 ENPP. As the Company is not benefiting losses for tax purposes in the United States, there was no tax impact to these charges.

During 2008, approximately $0.4 million of benefit payments were made related to the 2007 ENPP. At December 31, 2008, the aggregate expected benefit payments for the 2007 ENPP are as follows (in millions):

2009	$ 0.5
2010	0.6
2011	0.7
2012	0.8
2013	1.0
2014 through 2018	6.0
	$ 9.6

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 $9.2 million, $9.0 million and $8.5 million for the years ended December 31, 2008, 2007 and 2006, respectively.

9. Common Stock

At December 31, 2008, the Company had 150.0 million authorized shares of common stock with a par value of $0.01 per share, with approximately 91.8 million shares of common stock outstanding; approximately 1.9 million shares reserved for issuance under the Company's Option Plan (Note 10); and approximately 2.0 million shares reserved for issuance under the 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 5,000,000 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. The Company's Board of Directors approved the grants of awards during 2008, 2007 and 2006 effective under the employee and director stock incentive plans described below.

Employee Plans

The 2006 Plan encompasses two stock incentive plans to Company executives and key managers. The primary long-term incentive plan is a performance share plan that provides for awards of shares of the Company's common stock based on achieving financial targets, such as targets for earnings per share and

return on invested capital, as determined by the Company's Board of Directors. The stock awards are earned over a performance period, and the number of shares earned is determined based on the cumulative or average results for the period, depending on the measurement. Performance periods are consecutive and overlapping three-year cycles and performance targets are set at the beginning of each cycle. In order to transition to the 2006 Plan, the Company established award targets in 2006 for both a one-year and two-year performance period in addition to the normal three-year period. 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 2008, 2007 and 2006 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 2008, 2007 and 2006 was $57.12, $37.39 and $23.86, respectively. The Company achieved the maximum level of performance under the 2006-2008 performance period grant as of December 31, 2008, and thus, 887,124 shares were earned. 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 580,162 shares will be issued on March 2, 2009, net of approximately 306,962 shares that will be withheld for taxes related to the earned awards. Based on the level of performance achieved as of December 31, 2007, 102,492 shares were earned relating to the two-year performance period transition plan. 62,387 shares were issued on February 29, 2008, net of 40,105 shares that were withheld for taxes related to the earned awards. No shares were earned related to the one-year performance period transition plan as of December 31, 2006.

During 2008, the Company granted 545,400 awards for the three-year performance period commencing in 2008 and ending in 2010 assuming the maximum target level of performance is achieved. Performance award transactions during 2008 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	1,884,000
Shares awarded	545,400
Shares forfeited or unearned	(96,108)
Shares earned	(887,124)
Shares awarded but not earned at December 31	1,446,168

As of December 31, 2008, 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 $32.4 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.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

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 $1.7 million, $1.2 million and $0.3 million associated with SSAR award grants during 2008, 2007 and 2006, 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, 2008 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 year ended December 31, 2008 and 2007:

	Years Ended December 31,		
	2008	2007	2006
Weighted average grant-date fair value	$ 17.90	$ 16.99	$ 10.98
Weighted average assumptions under Black-Scholes option model:			
Expected life of awards (years)	5.5	5.5	5.5
Risk-free interest rate	2.7%	4.7%	5.0%
Expected volatility	38.0%	41.4%	41.5%
Expected dividend yield	—	—	—

SSAR transactions during the year ended December 31, 2008 were as follows:	
SSARs outstanding at January 1	383,500
SSARs granted	107,400
SSARs exercised	(53,812)
SSARs canceled or forfeited	(21,297)
SSARs outstanding at December 31	415,791
SSAR price ranges per share:	
Granted	$ 51.82-66.20
Exercised	23.80-37.38
Canceled or forfeited	23.80-56.98
Weighted average SSAR exercise prices per share:	
Granted	$ 56.92
Exercised	29.84
Canceled or forfeited	34.09
Outstanding at December 31	37.95

At December 31, 2008, the weighted average remaining contractual life of SSARs outstanding was five years and there were 68,313 SSARs currently exercisable with prices ranging from $23.80 to $37.38 with a weighted average exercise price of $29.37 and an aggregate intrinsic value of $0.0 million. As of December 31, 2008, the total compensation cost related to unvested SSARs not yet recognized was approximately $3.8 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, 2008	Weighted Average Exercise Price
$23.80 - $24.61	130,750	4.3	$ 23.82	40,375	$ 23.83
$26.00 - $37.38	179,953	5.1	$ 37.14	27,938	$ 37.38
$51.82 - $66.20	105,088	6.1	$ 56.92	—	
	415,791			68,313	

The total intrinsic value of SSARs exercised during 2008 was $1.7 million and the total fair value of shares vested during the same period was $1.1 million. The Company realized a tax benefit of less than $0.1 million from the exercise of these SSARs. There were 347,478 SSARs that were not vested as of December 31, 2008. The total intrinsic value of outstanding SSARs as of December 31, 2008 was $0.0 million.

On January 21, 2009, the Company granted 615,000 performance award shares (subject to the Company achieving future target levels of performance) and 298,000 SSARs under the 2006 Plan.

Director Restricted Stock Grants

The 2006 Plan provided 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 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 January 1, 2006 grant equated to 11,550 shares of common stock, of which 8,832 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 2006 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. 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 2009 annual restricted stock grant will be made on the date of the Company's 2009 annual stockholders' meeting, which is April 23, 2009.

As of December 31, 2008, of the 5,000,000 shares reserved for issuance under the 2006 Plan, 2,007,404 shares were available for grant, assuming the maximum number of shares are earned related to the performance award grants discussed above.

Former Non-employee Director Stock Incentive Plan and Long-Term Incentive Plan

In December 2005, the Company's Board of Directors elected to terminate the Company's former Long-Term Incentive Plan and the Non-Employee Director Stock Incentive Plan (the "Director Plan"), and the outstanding awards under those plans were cancelled. Awards cancelled prior to December 31, 2005 did not result in any compensation expense under the provisions of APB Opinion No. 25, "Accounting for Stock Issued to Employees". However, awards cancelled after January 1, 2006 were subject to the provisions of SFAS No. 123R, and, therefore, the Company recorded approximately $1.3 million of stock compensation expense during the first quarter of 2006 associated with those cancellations.

Former Non-employee Director Stock Incentive Plan

The Company's former Director Plan provided for restricted stock awards to non-employee directors based on increases in the price of the Company's common stock. The awarded shares were earned in specified increments for each 15% increase in the average market value of the Company's common stock over the initial base price established under the plan. When an increment of the awarded shares was earned, the shares were issued to the participant in the form of restricted stock which vested at the earlier of 12 months after the specified performance period or upon departure from the Company's Board of Directors. When the restricted shares were earned, a cash bonus equal to 40% of the value of the shares on the date the restricted stock award was earned was paid by the Company to satisfy a portion of the estimated income tax liability to be incurred by the participant. As of December 31, 2008, there were 4,449 shares that had been earned but were not vested under the former Director Plan.

Stock Option Plan

The Company's 2001 Stock Option Plan ("the Option Plan") provides for the granting of nonqualified and incentive stock options to officers, employees, directors and others. The stock option exercise price is determined by the Company's Board of Directors except in the case of an incentive stock option for which the purchase price shall not be less than 100% of the fair market value at the date of grant. Each recipient of stock options is entitled to immediately exercise up to 20% of the options issued to such person, and the remaining 80% of such options vest ratably over a four-year period and expire no later than ten years from the date of grant. There were no grants under the Option Plan during the years ended December 31, 2008, 2007 and 2006. The Company estimated the fair value of grants under the Company's Option Plan using the Black-Scholes option pricing model for disclosure purposes only prior to the adoption of SFAS No. 123R. The fair value of the grants were amortized over the applicable vesting period. As a result of applying the provisions of SFAS No. 123R, the Company recognized $0.2 million of stock compensation expense associated with stock options that vested during 2006.

Stock option transactions during the year ended December 31, 2008 were as follows:

	2008
Options outstanding at January 1	75,500
Options granted	—
Options exercised	(16,900)
Options canceled	(5,000)
Options outstanding at December 31	53,600
Options available for grant at December 31	1,935,437
Option price ranges per share:	
Granted	$ —
Exercised	10.06-22.31
Canceled	15.12
Weighted average option prices per share:	
Outstanding at January 1	$ 14.86
Granted	—
Exercised	15.14
Canceled	15.12
Outstanding at December 31	14.75

At December 31, 2008, the outstanding options had a weighted average remaining contractual life of approximately three years and there were 53,600 options currently exercisable with option prices ranging from $10.06 to $20.85 and with a weighted average exercise price of $14.75 and an aggregate intrinsic value of $0.5 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			Options Exercisable	
Range of Exercise Prices	Number of Shares	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Exercisable as of December 31, 2008	Weighted Average Exercise Price
$10.06 - $11.63	14,900	1.7	$ 11.48	14,900	$ 11.48
$15.12 - $20.85	38,700	3.0	$ 16.01	38,700	$ 16.01
	53,600			53,600	

The total intrinsic value of options exercised during the years ended December 31, 2008, 2007 and 2006 was approximately $0.8 million, $8.3 million and $7.0 million, respectively, and the total fair value of shares vested during the same periods was approximately $0.0 million, $0.0 million and $0.2 million, respectively. Cash proceeds received from stock option exercises during 2008, 2007 and 2006 was approximately $0.3 million, $8.2 million and $10.8 million, respectively. The Company realized an insignificant tax benefit from the exercise of these options.

11. Derivative Instruments and Hedging Activities

The Company applies the provisions of SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities” as amended by SFAS No. 138, “Accounting for Certain Derivative Instruments and Certain Hedging Activities-An Amendment of FASB Statement No. 133.” 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, the Brazilian real, the Canadian dollar and the Russian rouble in relation to the United States dollar.

The Company attempts to manage its transactional foreign exchange 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 forward contracts. The Company's hedging policy prohibits the use of foreign currency forward or option contracts for speculative trading purposes.

The Company uses foreign currency forward 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 forward contracts are classified as non-designated derivatives instruments. Changes in the fair value of non-designated derivative contracts are reported in current earnings. For the years ended December 31, 2008, 2007 and 2006, the Company recorded a net loss of approximately $85.2 million and a net gain of approximately $1.5 million and $13.4 million, respectively, under the caption of other expense, net related to these forward 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.

During 2008, 2007 and 2006, the Company designated certain foreign currency option and forward contracts as cash flow hedges of expected future sales. The effective portion of the fair value gains or losses on these cash flow hedges were recorded in other comprehensive income and subsequently reclassified into cost of goods sold during the period the sales are recognized. These amounts offset the effect of the changes in foreign exchange rates on the related sale transactions. The amount of the gain recorded in other comprehensive income (loss) that was reclassified to cost of goods sold during the years ended December 31, 2008, 2007 and 2006 was approximately $14.1 million, $4.1 million and $4.0 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, 2008, 2007 and 2006 was approximately $(36.7) million, $7.7 million and $0.1 million, respectively, on an after-tax basis. The outstanding contracts as of December 31, 2008 range in maturity through December 2009.

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, 2008, 2007 and 2006 (in millions):

	Before-Tax Amount	Income Tax	After-Tax Amount
Accumulated derivative net gains as of December 31, 2005	$ —	$ —	$ —
Net changes in fair value of derivatives	4.1	—	4.1
Net gains reclassified from accumulated other comprehensive loss into income	(4.0)	—	(4.0)
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)

The foreign currency option and forward contracts' fair value measurements fall within the Level 2 fair value hierarchy under SFAS No. 157. 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 or option rate.

During 2008, the Company deposited cash with a financial institution in Brazil as security against outstanding foreign exchange contracts that mature 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. The amount posted as security will either increase or decrease in the future depending on the value of the outstanding amount of contracts secured under the arrangement and the relative impact on gains (losses) on the outstanding contracts.

Interest Rate Risk

The Company may use interest rate swap agreements to manage its exposure to interest rate changes. Currently, the Company has no interest rate swap agreements outstanding.

In addition to the above, the Company recorded a deferred loss of $1.0 million, $4.4 million and $2.0 million, net of taxes, for the years ended December 31, 2008, 2007 and 2006, respectively, to other comprehensive income (loss) related to derivatives held by affiliates. The losses are related to interest rate swap contracts in the Company's retail finance joint ventures. These swap contracts have the effect of converting floating rate debt to fixed rates in order to secure the retail finance joint ventures' yields against their fixed rate loan portfolios.

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.

12. Commitments and Contingencies

The future payments required under the Company's significant commitments as of December 31, 2008 are as follows (in millions):

	Payments Due by Period						
	2009	2010	2011	2012	2013	Thereafter	Total
Interest payments related to indebtedness(1)	$ 25.3	$ 25.3	$ 21.7	$ 21.7	$ 19.2	$ 6.4	$ 119.6
Capital lease obligations	2.4	1.6	0.7	0.2	0.1	—	5.0
Operating lease obligations	37.0	28.5	21.6	15.2	11.2	44.6	158.1
Unconditional purchase obligations(2)	76.5	7.2	3.7	3.3	—	—	90.7
Other short-term and long-term obligations(3)	83.7	23.9	23.6	24.4	24.2	54.9	234.7
Total contractual cash obligations	$ 224.9	$ 86.5	$ 71.3	$ 64.8	$ 54.7	$ 105.9	$ 608.1

(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. As a result of the rationalization of the Company's European combine manufacturing operations during 2004, the Company entered into an agreement with Laverda to produce certain combine model ranges over a five-year period. The agreement provides that the Company will purchase a minimum quantity of approximately 83 combines through May 2009, at a cost of approximately €6.7 million (or approximately $9.4 million).

(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 accordance with FIN 48. 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 SFAS No. 140.

	Amount of Commitment Expiration Per Period						
	2009	2010	2011	2012	2013	Thereafter	Total
Guarantees	$ 115.3	$ 7.8	$ 2.5	$ 1.3	$ —	$ —	$ 126.9

Off-Balance Sheet Arrangements

Guarantees

At December 31, 2008, the Company was obligated under certain circumstances to purchase through the year 2010 up to $3.0 million of equipment upon expiration of certain operating leases between AGCO Finance LLC and AGCO Finance Canada Ltd., the Company's retail finance joint ventures in North America, and end users. The Company also maintains a remarketing agreement with these joint ventures, 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, 2008, the Company guaranteed indebtedness owed to third parties of approximately $123.9 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.

Other

At December 31, 2008, the Company had foreign currency contracts to buy an aggregate of approximately $419.0 million of United States dollar equivalents and foreign currency contracts to sell an aggregate of approximately $326.0 million United States dollar equivalents. The outstanding contracts as of December 31, 2008 range in maturity through December 2009 (Note 11).

From time to time, the Company sells certain trade receivables under factoring arrangements to financial institutions throughout the world. The Company evaluates the sale of such receivables pursuant to the guidelines of SFAS No. 140 and has determined that these facilities should be accounted for as off-balance sheet transactions in accordance with SFAS No. 140.

Total lease expense under noncancelable operating leases was $45.3 million, $38.9 million and $37.8 million for the years ended December 31, 2008, 2007 and 2006, respectively.

Contingencies

As a result of Brazilian tax legislative changes impacting value added taxes (“VAT”), the Company recorded a reserve of approximately $13.9 million and $21.9 million against its outstanding balance of Brazilian VAT taxes receivable as of December 31, 2008 and 2007, respectively, due to the uncertainty as to the Company’s ability to collect the amounts outstanding.

In February 2006, the Company 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.” This subpoena requested documents concerning transactions in Iraq by the Company and certain of its subsidiaries under the United Nations Oil for Food Program. Subsequently, the Company was contacted by the Department of Justice (“DOJ”) regarding the same transactions, although no subpoena or other formal process has been initiated by the DOJ. Other inquiries have been initiated by the Brazilian, Danish, French and U.K. governments regarding subsidiaries of the Company. The inquiries arose from sales of approximately $58.0 million in farm equipment to the Iraq ministry of agriculture between 2000 and 2002. The SEC’s staff has asserted that certain aspects of those transactions were not properly recorded in the Company’s books and records. The Company is cooperating fully in these inquiries, including discussions regarding settlement. It is not possible at this time to predict the outcome of these inquiries or their impact, if any, on the Company; although if the outcomes were adverse, the Company could be required to pay fines and make other payments as well as take appropriate remedial actions.

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 outcome was 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, 2008, not including interest and penalties, was approximately 77.5 million Brazilian reias (or approximately $33.7 million). The amount ultimately in dispute will be greater because of interest, penalties and future deductions. 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 party to various other claims and lawsuits arising in the normal course of business. It is the opinion of management, after consultation with legal counsel, that those claims and lawsuits will not have a material adverse effect on the financial position or results of operations of the Company.

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 securitization facilities (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, 2008, the solvency requirement for the portfolio held by Rabobank was approximately $3.9 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. At December 31, 2008, the Company was obligated under certain circumstances to purchase through the year 2010 up to $3.0 million of equipment upon expiration of certain operating leases between AGCO Finance LLC and AGCO Finance Canada Ltd., its retail joint ventures in North America, and end users. The Company also maintains a remarketing agreement with these joint ventures (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. The cost of those programs is recognized at the time of sale to the Company's dealers.

The Company has an agreement to permit transferring, on an ongoing basis, the majority of its wholesale interest-bearing receivables in North America to AGCO Finance LLC and AGCO Finance Canada, Ltd. The Company has a 49% ownership interest in these joint ventures. The transfer of the receivables is without recourse to the Company, and the Company continues to service the receivables. The Company does not maintain any direct retained interest in the receivables. No servicing asset or liability has been recorded as the

estimated fair value of the servicing of the receivables approximates servicing income. As of December 31, 2008 and 2007, the balance of interest-bearing receivables transferred to AGCO Finance LLC and AGCO Finance Canada, Ltd. under this agreement was approximately $59.0 million and $73.3 million, respectively.

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, 2008, 2007 and 2006 are as follows (in millions):

Years Ended December 31,	North America	South America	Europe/Africa/ Middle East	Asia/ Pacific	Consolidated
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
2006					
Net sales	$ 1,283.8	$ 657.2	$ 3,334.4	$ 159.6	$ 5,435.0
(Loss) income from operations	(37.8)	45.2	279.4	20.3	307.1
Depreciation	24.3	16.4	55.4	2.5	98.6
Assets	678.4	342.2	1,283.7	79.5	2,383.8
Capital expenditures	17.7	11.2	99.7	0.5	129.1

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

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

	2008	2007	2006
Segment income from operations	$ 688.2	$ 483.5	$ 307.1
Corporate expenses	(71.9)	(48.1)	(45.4)
Stock compensation	(32.0)	(25.0)	(3.5)
Restructuring and other infrequent (expenses) income	(0.2)	2.3	(1.0)
Goodwill impairment charge	—	—	(171.4)
Amortization of intangibles	(19.1)	(17.9)	(16.9)
Consolidated income from operations	$ 565.0	$ 394.8	$ 68.9
Segment assets	$ 3,011.8	$ 2,651.9	$ 2,383.8
Cash and cash equivalents	512.2	582.4	401.1
Restricted cash	33.8	—	—
Receivables from affiliates	4.8	1.7	2.1
Investments in affiliates	275.1	284.6	191.6
Deferred tax assets, other current and noncurrent assets	353.2	395.7	335.9
Intangible assets, net	176.9	205.7	207.9
Goodwill	587.0	665.6	592.1
Consolidated total assets	$ 4,954.8	$ 4,787.6	$ 4,114.5

Net sales by customer location for the years ended December 31, 2008, 2007 and 2006 were as follows (in millions):

	2008	2007	2006
Net sales:			
United States	$ 1,349.7	$ 1,173.8	$ 1,008.0
Canada	304.9	209.4	200.2
Germany	954.8	757.6	627.0
France	998.8	794.6	624.8
United Kingdom and Ireland	406.9	393.9	322.6
Finland and Scandinavia	896.9	797.4	657.5
Other Europe	1,472.8	1,140.0	857.6
South America	1,470.3	1,072.9	644.0
Middle East and Africa	175.2	183.6	245.0
Asia	66.8	65.2	58.6
Australia and New Zealand	161.6	117.1	101.0
Mexico, Central America and Caribbean	165.9	122.6	88.7
	$ 8,424.6	$ 6,828.1	$ 5,435.0

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Net sales by product for the years ended December 31, 2008, 2007 and 2006 were as follows (in millions):

	2008	2007	2006
Net sales:			
Tractors	$ 5,620.7	$ 4,647.6	$ 3,634.7
Combines	481.8	319.9	214.0
Application equipment	363.8	296.8	266.8
Other machinery	909.8	680.2	566.7
Replacement parts	1,048.5	883.6	752.8
	$ 8,424.6	$ 6,828.1	$ 5,435.0

Property, plant and equipment and amortizable intangible assets by country as of December 31, 2008 and 2007 was as follows (in millions):

	2008	2007
United States	$ 129.0	$ 122.1
Finland	206.8	216.1
Germany	237.0	219.9
Brazil	128.3	164.9
France	103.2	91.7
Other	89.3	47.8
	$ 893.6	$ 862.5

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, 2008, 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, 2008. Based on this assessment, management believes that, as of December 31, 2008, 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, 2008, 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, 2008, 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, 2008 and 2007, 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, 2008, and our report dated February 27, 2009 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Atlanta, Georgia
February 27, 2009

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 2009 Annual Meeting of Stockholders which we intend to file in March 2009.

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 2009 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 2009 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 2009 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	1,915,559	$ 42.37	3,942,841
Equity compensation plans not approved by security holders	1,166	18.76	—
Total	1,916,725	$ 42.36	3,942,841

(b) Security Ownership of Certain Beneficial Owners and Management

The information required by this Item set forth in our Proxy Statement for the 2009 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 2009 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 2009 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	Filed herewith
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
4.5	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	Non-employee Director Stock Incentive Plan*	March 25, 2003, DEF 14A, Appendix A
10.11	Management Incentive Plan*	June 30, 2008, Form 10-Q, Exhibit 10.4
10.12	Executive Non-qualified Pension Plan*	June 30, 2008, Form 10-Q, Exhibit 10.2
10.13	Employment and Severance Agreement with Martin H. Richenhagen*	June 30, 2008, Form 10-Q, Exhibit 10.8
10.14	Employment and Severance Agreement with Andrew H. Beck	June 30, 2008, Form 10-Q, Exhibit 10.5
10.15	Employment and Severance Agreement with Andre M. Carioba	Filed herewith
10.16	Employment and Severance Agreement with Gary L. Collar	June 30, 2008, Form 10-Q, Exhibit 10.6
10.17	Employment and Severance Agreement with Robert B. Crain*	Filed herewith
10.18	Consulting Agreement with Stephen D. Lupton	August 2, 2007, Form 8-K, Exhibit 10.1
10.19	Consulting Agreement with Norman L. Boyd	Filed herewith
10.20	Receivables Purchase Agreement dated as of January 27, 2000	December 31, 1999, Form 10-K, Exhibit 10.12 March 31, 2004, Form 10-Q, Exhibit 10.2; Filed herewith
10.21	Credit Agreement dated as of May 16, 2008	May 22, 2008, Form 8-K, Exhibit 10.1
10.22	Canadian Receivables Purchase Agreement dated as of June 26, 2001	June 30, 2001, Form 10-Q, Exhibit 10.1 March 31, 2004, Form 10-Q, Exhibit 10.3; Filed herewith
10.23	European Receivables Transfer Agreement	September 30, 2006, Form 10-Q, Exhibit 10.1
10.24	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 27, 2009

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 Martin Richenhagen	Chairman, President and Chief Executive Officer	February 27, 2009
/s/ ANDREW H. BECK Andrew H. Beck	Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	February 27, 2009
/s/ P. GEORGE BENSON * P. George Benson	Director	February 27, 2009
/s/ HERMAN CAIN * Herman Cain	Director	February 27, 2009
/s/ WOLFGANG DEML * Wolfgang Deml	Director	February 27, 2009
/s/ FRANCISCO R. GROS * Francisco R. Gros	Director	February 27, 2009
/s/ GERALD B. JOHANNESON * Gerald B. Johanneson	Director	February 27, 2009
/s/ GEORGE E. MINNICH * George E. Minnich	Director	February 27, 2009
/s/ CURTIS E. MOLL * Curtis E. Moll	Director	February 27, 2009
/s/ DAVID E. MOMOT * David E. Momot	Director	February 27, 2009

Signature	Title	Date
/s/ GERALD L. SHAHEEN * Gerald L. Shaheen	Director	February 27, 2009
/s/ HENDRIKUS VISSER * Hendrikus Visser	Director	February 27, 2009
*By: /s/ ANDREW H. BECK Andrew H. Beck *Attorney-in-Fact*		February 27, 2009

ANNUAL REPORT ON FORM 10-K
ITEM 15 (A)(2)
FINANCIAL STATEMENT SCHEDULE
YEAR ENDED DECEMBER 31, 2008

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
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
Year ended December 31, 2006						
Allowances for sales incentive discounts	$ 92.1	$ —	$ 123.3	$ (132.8)	$ —	$ 82.6

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, 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
Year ended December 31, 2006						
Allowances for doubtful accounts	$ 40.6	$ —	$ 1.5	$ (7.2)	$ 2.8	$ 37.7

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, 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
Year ended December 31, 2006						
Accruals of severance, relocation and other integration costs	$ 0.8	$ 1.0	$ —	$ (0.7)	$ —	$ 1.1

Description	Balance at Beginning of Period	Additions: Acquired Businesses	Additions: Charged to Costs and Expenses*	Deductions	Foreign Currency Translation	Balance at End of Period
Year ended December 31, 2008						
Deferred tax valuation allowance	$ 315.3	$ —	$ 9.0	$ —	$ (7.7)	$ 316.6
Year ended December 31, 2007						
Deferred tax valuation allowance	$ 291.4	$ —	$ 15.3	$ —	$ 8.6	$ 315.3
Year ended December 31, 2006						
Deferred tax valuation allowance	$ 252.8	$ (3.8)	$ 37.7	$ —	$ 4.7	$ 291.4

* Amounts charged through other comprehensive income (loss) during the years ended December 31, 2008, 2007 and 2006 were $7.7 million, $(2.1) million and $1.0 million, respectively.

AGCO
Your Agriculture Company

AMENDED AND RESTATED BY-LAWS

OF

AGCO CORPORATION

(reflecting amendments through December 11, 2008)

ARTICLE I

Stockholders Meetings

1. **Places of Meetings**. All meetings of stockholders shall be held at such place or places in or outside of Delaware as the board of directors may from time to time determine or as may be designated in the notice of meeting or waiver of notice thereof, subject to any provisions of the laws of Delaware.

2. **Annual Meetings**. Unless otherwise determined from time to time by the board of directors, the annual meeting of stockholders shall be held each year for the election of directors and the transaction of such other business as may properly come before the meeting on the first Monday in the fourth month following the close of the fiscal year commencing at some time between 10 A.M. and 3 P.M., if not a legal holiday and if a legal holiday, then on the day following at the same time. If the annual meeting is not held on the date designated, it may be held as soon thereafter as convenient and shall be called the annual meeting. Written notice of the time and place of the annual meeting shall be given by mail to each stockholder entitled to vote at his address as it appears on the records of the corporation not less than the minimum nor more than the maximum number of days permitted under the laws of Delaware prior to the scheduled date thereof, unless such notice is waived as provided by Article VIII of these By-Laws.

3. **Special Meetings**. A special meeting of stockholders may be called at any time by order of the board of directors or the executive committee. Written notice of the time, place and specific purposes of such meetings shall be given by mail to each stockholder entitled to vote thereat at his address as it appears on the records of the corporation not less than the minimum nor more than the maximum number of days prior to the scheduled date thereof permitted under the laws of Delaware, unless such notice is waived as provided in Article VIII of these By-Laws.

4. **Meetings Without Notice**. Meetings of the stockholders may be held at any time without notice when all the stockholders entitled to vote thereat are present in person or by proxy.

5. **Voting**. At all meetings of stockholders, each stockholder entitled to vote on the record date as determined under Article V, Section 3 of these By-Laws or if not so determined as prescribed under the laws of Delaware shall be entitled to one vote for each share of stock standing on record in his name, subject to any restrictions or qualifications set forth in the certificate of incorporation or any amendment thereto.

6. **Quorum**. At any stockholders' meeting, a majority of the number of shares of stock outstanding and entitled to vote thereat present in person or by proxy shall constitute a quorum but a smaller interest may adjourn any meeting from time to time, and the meeting may be held as adjourned without further notice, subject to such limitation as may be imposed under the laws of Delaware. When a quorum is present at any meeting, a majority of the number of shares of stock entitled to vote present thereat shall decide any question brought before such meeting unless the question is one upon which a different vote is required by express provision of the laws of Delaware, the certificate of incorporation or these By-Laws, in which case such express provisions shall govern.

7. **List of stockholders**. At least ten days before every meeting, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order and showing the address of and the number of shares registered in the name of each stockholder, shall be prepared by the secretary or the transfer agent in charge of the stock ledger of the corporation. Such list shall be open for examination by any stockholder as required by the laws of Delaware. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine such list or the books of the corporation or to vote in person or by proxy at such meeting.

8. **No Action in Writing**. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

9. **Notice of Business**. No business may be transacted at any meeting of stockholders, whether annual or special, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board of directors (or any duly authorized committee thereof), (b) otherwise properly brought before the meeting by or at the direction of the board of directors (or any duly authorized committee thereof) or (c) otherwise properly brought before the meeting by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 9 of this Article I and on the record date for the determination of stockholders entitled to vote at such meeting and (ii) who complies with the notice procedures set forth in Section 10 of this Article I. Clause (c) of this Section 9 shall be the exclusive means for a stockholder to nominate any person for election as a director or submit other business before the meeting (other than proposals brought under Rule 14a-8 under the Securities Exchange Act of

1934, as amended (the “Exchange Act”), and included in the Corporation’s notice of meeting, which proposals are not governed by these Bylaws).

If the chairman of a meeting determines that business was not properly brought before the meeting in accordance with the foregoing procedures, the chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

10. **Notice of Stockholder Nominees and Proposals**. In addition to any other applicable requirements for business to be properly brought before a meeting, whether annual or special, by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation in compliance with the requirements of this Section 10 of this Article I. This Section 10 shall constitute an “advance notice provision” for annual meetings for the purposes of Rule 14a-4(c)(1) under the Exchange Act.

In the case of a meeting of stockholders which is an annual meeting, to be timely, a stockholder’s notice to the secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not less than sixty (60) days nor more than ninety (90) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs. In the case of a meeting of stockholders which is not an annual meeting, to be timely, a stockholder’s notice to the secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not less than sixty (60) days nor more than ninety (90) days prior to the meeting; provided, however, that in the event that less than forty-five (45) days’ notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made, whichever first occurs.

To be in proper written form, whether in regard to a nominee for election to the board of directors or other business, a stockholder’s notice to the secretary must set forth as to each matter such stockholder proposes to bring before the meeting (i) a brief description of the business described to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) as to such stockholder and, if such stockholder holds for the benefit of another, the beneficial owner on whose behalf the nomination or proposal is made, the following information: (A) the name and record address of such stockholder and, if such stockholder holds for the benefit of another, the name and record address of such beneficial owner (collectively, the “Holder”); (B) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record; (C) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or

with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not the instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a "Derivative Instrument") that is directly or indirectly owned beneficially by the Holder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation; (D) any proxy, contract, arrangement, understanding or relationship pursuant to which the Holder has a right to vote or has granted a right to vote any shares of any security of the Corporation; (E) any short interest in any security of the Corporation (for the purposes of these By-laws a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any proxy, contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security); (F) any rights to dividends on the shares of the Corporation owned beneficially by the Holder that are separated or separable from the underlying shares of the Corporation; (G) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership or limited liability company or similar entity in which the Holder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, is the manager, managing member or directly or indirectly beneficially owns an interest in the manager or managing member of a limited liability company or similar entity; (H) any performance-related fees (other than an asset-based fee) that the Holder is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any; (I) any arrangements, rights, or other interests described in Clauses (C)-(H) of this paragraph held by members of such Holder's immediate family sharing the same household; (J) any other information relating to the Holder that is required to be disclosed in solicitations of proxies for, as applicable, the proposal and/or for the election of Directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations thereunder; and (K) any other information as reasonably requested by the Corporation, (iii) a description of all agreements, arrangements or understandings between the Holder and any other person or persons (including their names) in connection with the proposal of such business by the Holder and any material interest of the Holder in such business, (iv) a representation that the Holder intends to appear in person or by proxy at the meeting to bring such business before the meeting, and (v) in the case of the nomination of a person as a director, a brief description of the background and credentials of such person including (A) the name, age, business address and residence address of such person, (B) the principal occupation or employment of such person, (C) the class and number of shares of the Corporation which are beneficially owned by such person, and (D) any other information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors, or as otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including without limitation such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected).

For the avoidance of doubt, no person nominated by a stockholder of the Corporation shall be eligible for election as a director of the Corporation unless nominated by such stockholder in accordance with the procedures set forth in this Section 10, even if the election of directors otherwise is a matter of business properly before the meeting.

ARTICLE II

Board of Directors

1. **Number and Election of Directors**. The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors consisting of not less than three nor more than 13 directors, the exact number of directors to be determined from time to time by resolution adopted by the affirmative vote of a majority of the directors then in office. The directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. Immediately following the adoption by the Corporation of this by-law, a majority of the Board of Directors shall elect Class I directors for a one-year term, Class II directors for a two-year term and Class III directors for a three-year term. At the next ensuing annual meeting of stockholders (the "First Meeting"), the term of office of the Class I directors shall expire and successors to the Class I directors shall be elected for a three-year term. At the next ensuing annual meeting of stockholders held after the First Meeting (the "Second Meeting"), the term of office of the Class II directors shall expire and successors to the Class II directors shall be elected for a three-year term. At the next ensuing annual meeting of stockholders held after the Second Meeting, the term of office of the Class III directors shall expire and successors to the Class III directors shall be elected for a three-year term. Thereafter, at each annual meeting of stockholders, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, but in no case shall a decrease in the number of directors shorten the term of any incumbent director. A director shall hold office until the annual meeting for the year in which his term expires and until his successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

Notwithstanding the foregoing, whenever the holders of any one or more classes or series of preferred stock issued by the Corporation, if any, shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of the Restated Certificate of Incorporation applicable thereto, and such directors so elected shall not be divided into classes pursuant to this Section 1 of this Article III unless expressly provided by such terms.

2. **Powers**. The business and affairs of the Corporation shall be carried on by or under the direction of the board of directors, which shall have all the powers authorized by the laws of Delaware, subject to such limitations as may be provided by the certificate of incorporation or these By-Laws.

3. **Compensation**. The board of directors may from time to time by resolution authorize the payment of fees or other compensation to the directors for services as such to the corporation, including, but not limited to, fees for attendance at all meetings of the board or of

the executive or other committees, and determine the amount of such fees and compensation. Directors shall in any event be paid their traveling expenses for attendance at all meetings of the board or of the executive or other committees. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor in amounts authorized or otherwise approved from time to time by the board or the executive committee.

4. **Meetings and Quorum**. Meetings of the board of directors may be held either in or outside of Delaware. A quorum shall be one-third the then authorized total number of directors, but not less than two directors. A director will be considered present at a meeting, even though not physically present, to the extent and in the manner authorized by the laws of Delaware.

The board of directors elected at any annual stockholders' meeting shall, at the close of that meeting without further notice if a quorum of directors be then present or as soon thereafter as may be convenient, hold a meeting for the election of officers and the transaction of any other business. At such meeting they shall elect a president, a secretary and a treasurer, and such other officers as they may deem proper, none of whom except the chairman of the board, if elected, need be members of the board of directors.

The board of directors may from time to time provide for the holding of regular meetings with or without notice and may fix the times and places at which such meetings are to be held. Meetings other than regular meetings may be called at any time by the president or the chairman of the board and must be called by the president or by the secretary or an assistant secretary upon the request of any director.

Notice of each meeting, other than a regular meeting (unless required by the board of directors), shall be given to each director by mailing the same to each director at his residence or business address at least two days before the meeting or by delivering the same to him personally or by telephone or telegraph to him at least one day before the meeting unless, in case of exigency, the chairman of the board, the president or secretary shall prescribe a shorter notice to be given personally or by telephone, telegraph, cable or wireless to all or any one or more of the directors at their respective residences or places of business.

Notice of any meeting shall state the time and place of such meeting, but need not state the purpose thereof unless otherwise required by the laws of Delaware, the certificate of incorporation, the By-Laws, or the board of directors.

5. **Executive Committee**. The board of directors may by resolution passed by a majority of the whole board provide for an executive committee of two or more directors and shall elect the members thereof to serve during the pleasure of the board and may designate one of such members to act as chairman. The board may at any time change the membership of the committee, fill vacancies in it, designate alternate members to replace any absent or disqualified members at any meeting of the committee, or dissolve it.

During the intervals between the meetings of the board of directors, the executive committee shall perform all the powers of the Board except as limited by the General Corporation Law of the State of Delaware or by the Company's Certificate of Incorporation or By-Laws.

The executive committee may determine its rules of procedure and the notice to be given of its meetings, and it may appoint such committees and assistants as it shall from time to time deem necessary. A majority of the members of the committee shall constitute a quorum.

6. **Audit Committee**. The functions of the audit committee shall be to meet with external auditors to discuss the current year audit plan; meet with external auditors to discuss the results of the audit and their opinion regarding the fairness of the annual financial statements; review audit fees and fees for management advisory services; meet with management to discuss the internal audit plan and current staffing; meet with management, internal and external auditors to discuss the auditor's "management letter" and management's response; and meet with management and the internal auditors to discuss the corporate control environment and regulatory compliance. The audit committee is hereby authorized to perform such functions. The audit committee shall meet once before the external audit begins and again near the completion date with meetings at other times as appropriate.

7. **Compensation Committee**. The functions of the compensation committee shall be to review, approve, recommend and report to the chief executive officer and the board matters specifically relative to the compensation of the Company's chief executive officer and other key executives and administration of the Company's 1991 Stock Option Plan and Management Incentive Compensation Plan, and the compensation committee is hereby authorized to perform such functions.

8. **Governance Committee**. The functions of the governance committee are to develop appropriate long range plans for the size and composition of the board of directors and the succession of directors; to develop and implement procedures for identifying, screening and nominating director candidates to the board of directors; to recommend directors for membership and chairmanship of standing committees of the board of directors; to develop and implement procedures for conducting and reporting annual evaluations of board performance and recommend actions to improve board performance and governance; to perform other duties as the board of directors may from time to time delegate to the committee.

Nominations for board membership shall be consistent with criteria contained in the governance committee charter. In nominations for committee membership and chairmanship the governance committee shall:

a. include the chairman of the board, chief executive officer and chairmen of the standing committees as members of the executive committee;

b. include the chairman of the board and the chief executive officer as members of the strategic planning committee;

c. include only Independent Directors (as defined in Section 11 of this Article II) to serve as members of the audit, compensation and governance committees; and

d. consider differences in individual director expertise and availability and the efficiencies of continuity of committee experience versus the desirability of altering committee composition at reasonable intervals."

9. **Other Committees**. The board of directors may by resolution provide for such other committees as it deems desirable and may discontinue the same at its pleasure. Each such committee shall have the powers and perform such duties, not inconsistent with law, as may be assigned to it by the board.

10. **Action without Meetings**. Any action required or permitted to be taken at any meeting of the board of directors or any committee thereof may be taken without meeting by written consent setting forth the action so taken signed by all of the directors entitled to vote with respect to the subject matter thereof.

11. **Independence of Directors**. The board of directors of the Company shall not knowingly (a) nominate a candidate for election to the board of directors or (a) cause any vacancy on the board of directors to be filled by a director, that, in either case, would result in the board of directors being comprised of less than a majority of Independent Directors (as hereinafter defined).

For purposes of this Article II, "Independent Director" shall mean a Director who meets the independence requirements of Section 303.01(B)(3) of The New York Stock Exchange Listed Company Manual (as such section may be modified from time to time).

ARTICLE III

Officers

1. **Titles and Election**. The officers of the corporation shall be a president, a secretary and a treasurer, who shall initially be elected as soon as convenient by the board of directors and thereafter, in the absence of earlier resignations or removals, shall be elected at the first meeting of the board following any annual stockholders' meeting, each of whom shall hold office at the pleasure of the board except as may otherwise be approved by the board or executive committee, or until his earlier resignation, removal under these By-Laws or other termination of his employment. Any person may hold more than one office if the duties can be consistently performed by the same person, and to the extent permitted by the laws of Delaware.

The board of directors, in its discretion, may also at any time elect or appoint a chairman of the board of directors who shall be a director, and one or more vice presidents, assistant secretaries and assistant treasurers and such other officers as it may deem advisable, each of whom shall hold office at the pleasure of the board, except as may otherwise be approved by the board or executive committee, or until his earlier resignation, removal or other termination of employment, and shall have such authority and shall perform such duties as may be prescribed or determined from time to time by the board or in case of officers other than the chairman of the board, it not so prescribed or determined by the board, as the president or the then senior executive officer may prescribe or determine.

The board of directors may require any officer or other employee or agent to give bond for the faithful performance of his duties in such form and with such sureties as the board may require.

2. **Duties**. Subject to such extension, limitations, and other provisions as the board of directors or the By-Laws may from time to time prescribe or determine, the following officers shall have the following powers and duties:

(a) **Chairman of the Board**. The chairman of the board, when present, shall preside at all meetings of the stockholders and of the board of directors and shall be charged with general supervision of the management and policy of the corporation, and shall have such other powers and perform such other duties as the board of directors may prescribe from time to time.

(b) **President**. Subject to the board of directors and the provisions of these By-Laws, the president shall be the chief executive officer of the corporation, shall exercise the powers and authority and perform all of the duties commonly incident to his office, shall in the absence of the chairman of the board preside at all meetings of the stockholders and of the board of directors if he is a director, and shall perform such other duties as the board of directors or executive committee shall specify from time to time. The president or a vice president, unless some other person is thereunto specifically authorized by the board of directors or executive committee, shall sign all bonds, debentures, promissory notes, deeds and contracts of the corporation.

(c) **Vice President**. The vice president or vice presidents shall perform such duties as may be assigned to them from time to time by the board of directors or by the president if the board does not do so. In the absence or disability of the president, the vice presidents in order of seniority may, unless otherwise determined by the board, exercise the powers and perform the duties pertaining to the office of president, except that if one or more executive vice presidents has been elected or appointed, the person holding such office in order or seniority shall exercise the powers and perform the duties of the office of president.

(d) **Secretary**. The secretary or in his absence the assistant secretary shall keep the minutes of all meetings of stockholders and of the board of directors, give and serve all notices, attend to such correspondence as may be assigned to him, keep in safe custody the seal of the corporation, and affix such seal to all such instruments properly executed as may require it, and shall have such other duties and powers as may be prescribed or determined from time to time by the board of directors or by the president if the board does not do so.

(e) **Treasurer**. The treasurer, subject to the order of the board of directors, shall have the care and custody of the moneys, funds, valuable papers and documents of the corporation (other than his own bond, if any, which shall be in the custody of the president), and shall have, under the supervision of the board of directors, all the powers and duties commonly incident to his office. He shall deposit all funds of the corporation in such bank or banks, trust company or trust companies, or with such firm or firms doing a banking business as may be designated by the board of directors or by the president if the board does not do so. He may endorse for deposit or collection all checks, notes, etc., payable to the corporation or to its order. He shall keep accurate books of account of the corporation's transactions, which shall be the property of the corporation, and together with all its property in his possession, shall be subject at all times to the inspection and control of the board of directors. The treasurer shall be subject in every way to the order of the board of directors, and shall render to the board of directors and/or the president of the corporation, whenever they may require it, an account of all his transactions and of the financial condition of the corporation. In addition to the foregoing, the treasurer shall have such duties as may be prescribed or determined from time to time by the board of directors or by the president if the board does not do so.

3. **Delegation of Authority**. The board of directors or the executive committee may at any time delegate the powers and duties of any officer for the time being to any other officer, director or employee.

4. **Compensation**. The compensation of the chairman of the board, the president, all vice presidents, the secretary and the treasurer shall be fixed by the board of directors or the executive committee, and the fact that any officer is a director shall not preclude him from receiving compensation or from voting upon the resolution providing the same.

ARTICLE IV

Resignations, Vacancies and Removals

1. **Resignations**. Any director or officer may resign at any time by giving written notice thereof to the board of directors, the president or the secretary. Any such resignation shall take effect at the time specified therein or, if the time be not specified, upon receipt thereof; and unless otherwise specified therein, the acceptance of any resignation shall not be necessary to make it effective.

2. **Vacancies**.

(a) **Directors**. When the office of any directors, becomes vacant or unfilled whether by reason of death, resignation, removal, increase in the authorized number of directors or otherwise, such vacancy or vacancies may be filled by the remaining director or directors, although less than a quorum. Any director so elected by the board shall serve until the election and qualification of his successor or until his earlier resignation or removal as provided in these By-Laws. The directors may also reduce their authorized number by the number of vacancies in the board, provided such reduction does not reduce the board to less than the minimum authorized by the Charter or the laws of Delaware.

(b) **Officers**. The board of directors may at any time or from time to time fill any vacancy among the officers of the corporation.

3. **Removals**.

(a) **Directors**. The stockholders may remove directors from office only for cause.

(b) **Officers**. Subject to the provisions of any validly existing agreement, the board of directors may at any meeting remove from office any officer, with or without cause, and may elect or appoint a successor; provided that if action is to be taken to remove the president the notice of meeting or waiver of notice thereof shall state that one of the purposes thereof is to consider and take action on his removal.

ARTICLE V

Capital Stock

1. **Share Certificates**. Certificates for shares of the capital stock of the corporation may be certificated or uncertificated, as provided under Delaware law, and in such form as may be prescribed or authorized by the board of directors, duly numbered and setting forth the number and kind of shares represented thereby. Any certificates representing shares of stock shall be entered in the books of the Corporation and registered as they are issued. Such certificates shall be signed by the chairman of the board, the president or a vice president and by

the treasurer or an assistant treasurer or a secretary or an assistant secretary. Any or all of such signatures may be in facsimile if and to the extent authorized under the laws of Delaware.

In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, such certificate may nevertheless be issued and delivered by the Corporation with the same effect as if he, she, or it were such officer, transfer agent, or registrar at the date of issue.

Within a reasonable time after the issuance of transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice that shall set forth the name of the corporation, that the corporation is organized under the laws of the State of Delaware, the name of the stockholder, the number and class (and the designation of the series, if any) of the shares represented, and any restrictions on the transfer or registration of such shares of stock imposed by the corporation's articles of incorporation, these Bylaws, any agreement among stockholders or any agreement between stockholders and the corporation.

2. **Transfer of Stock**. Shares of the capital stock of the corporation shall be transferable only upon the books of the corporation upon the surrender of any certificate or certificates properly assigned and endorsed for transfer. If the corporation has a transfer agent or agents or transfer clerk and registrar of transfers acting on its behalf, the signature of any officer or representative thereof may be in facsimile.

Upon the receipt of proper transfer instructions from the registered owner of shares, such shares shall be cancelled, issuance of new equivalent uncertificated shares or certificated shares shall be made to the stockholder entitled thereto and the transaction shall be recorded upon the books of the corporation. If the corporation has a transfer agent or registrar acting on its behalf, the signature of any officer or representative thereof may be in facsimile.

The board of directors may appoint a transfer agent and one or more co-transfer agents and a registrar and one or more co-registrars of transfer and may make or authorize the transfer agents to make all such rules and regulations deemed expedient concerning the issue, transfer and registration of shares of stock.

3. **Record Dates**.

(a) In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix in advance a record date which, in the case of a meeting, shall be not less than the minimum nor more than the maximum number of days prior to the scheduled date of such meeting permitted under the laws of Delaware and which, in the case of

any other action, shall be not more than the maximum number of days prior to any such action permitted by the laws of Delaware.

(b) If no such record date is fixed by the board, the record date shall be that prescribed by the laws of Delaware.

(c) A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to an adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

4. **Lost Certificates**. In case of loss or mutilation or destruction of a stock certificate, the corporation may issue (i) a new certificate or certificates for shares or (ii) uncertificated shares upon such terms as may be determined or authorized by the board of directors or executive committee or by the president if the board or the executive committee does not do so.

ARTICLE VI

Fiscal Year, Bank Deposits, Checks, etc.

1. **Fiscal Year**. The fiscal year of the corporation shall commence or end at such time as the board of directors may designate.

2. **Bank Deposits, Checks, etc.** The funds of the corporation shall be deposited in the name of the corporation or of any division thereof in such banks or trust companies in the United States or elsewhere as may be designated from time to time by the board of directors or executive committee, or by such officer or officers as the board or executive committee may authorize to make such designations.

All checks, drafts or other orders for the withdrawal of funds from any bank account shall be signed by such person or persons as may be designated from time to time by the board of directors or executive committee or as may be designated by an officer or officers authorized by the board of directors or executive committee to make such designations. The signatures on checks, drafts or other orders for the withdrawal of funds may be in facsimile if authorized in the designation.

ARTICLE VII

Books and Records

1. **Place of Keeping Books**. Unless otherwise expressly required by the laws of Delaware, the books and records of the corporation may be kept outside of Delaware.

2. **Examination of Books**. Except as may otherwise be provided by the laws of Delaware, the certificate of incorporation or these By-Laws, the board of directors shall have power to determine from time to time whether and to what extent and at what times and places and under what conditions any of the accounts, records and books of the corporation are to be open to the inspection of any stockholder. No stockholder shall have any right to inspect any account or book or document of the corporation except as prescribed by statute or authorized by express resolution of the stockholders or of the board of directors.

ARTICLE VIII

Notices

1. **Requirements of Notice**. Whenever notice is required to be given by statute, the certificate of incorporation or these By-Laws, it shall not mean personal notice unless so specified, but such notice may be given in writing by depositing the same in a post office letter box, or mail chute, postpaid and addressed to the person to whom such notice is directed at the address of such person on the records of the corporation, and such notice shall be deemed given at the time when the same shall be thus mailed.

2. **Waivers**. Any stockholder, director or officer may, in writing or by telegram or cable, at any time waive any notice or other formality required by statute, the certificate of incorporation or these By-Laws. Such waiver of notice, whether given before or after any meeting or action, shall be deemed equivalent to notice. Presence of a stockholder either in person or by proxy at any stockholders' meeting and presence of any director at any meeting of the board of directors shall constitute a waiver of such notice as may be required by any statute, the certificate of incorporation or these By-Laws.

ARTICLE IX

Seal

The corporate seal of the corporation shall consist of two concentric circles between which shall be the name of the corporation and in the center of which shall be inscribed "Corporate Seal, Delaware."

ARTICLE X

Powers of Attorney

The board of directors or the executive committee may authorize one or more of the officers of the corporation to execute powers of attorney delegating to named representatives or agents power to represent or act on behalf of the corporation, with or without power of substitution.

In the absence of any action by the board or the executive committee, the president, any vice president, the secretary or the treasurer of the corporation may execute for and on behalf of the corporation waivers of notice of stockholders' meetings and proxies for such meetings in any company in which the corporation may hold voting securities.

ARTICLE XI

Indemnification of Directors and Officers

1. **Definitions**. As used in this article, the term "person" means any past, present or future director or officer of the corporation or a designated officer of an operating division of the corporation.

2. **Indemnification Granted**. The corporation shall indemnify, defend and hold harmless against all liability, loss and expenses (including attorneys' fees reasonably incurred), to the full extent and under the circumstances permitted by the Delaware General Corporation Law of the State of Delaware in effect from time to time, any person as defined above, made or threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director, officer of the corporation or designated officer of an operating division of the corporation, or is or was as an employee or agent of the corporation acting as a director, officer, employee or agent of another company or other enterprise in which the corporation owns, directly or indirectly, an equity or other interest or of which it may be a creditor.

If a person indemnified herein must retain an attorney directly, the corporation may, in its discretion, pay the expenses (including attorneys' fees) incurred in defending any proceeding in advance of its final disposition, provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this article or otherwise.

This right of indemnification shall not be deemed exclusive of any other rights to which a person indemnified herein may be entitled by By-Law, agreement, vote of stockholders or disinterested directors or otherwise, and shall continue as to a person who has ceased to be a director, officer, designated officer, employee or agent and shall inure to the benefit of the heirs,

executors, administrators and other legal representatives of such person. It is not intended that the provisions of this article be applicable to, and they are not to be construed as granting indemnity with respect to, matters as to which indemnification would be in contravention of the laws of Delaware or of the United States of America whether as a matter of public policy or pursuant to statutory provision.

3. **Miscellaneous**. The board of directors may also on behalf of the corporation grant indemnification to any individual other than a person defined herein to such extent and in such manner as the board in its sole discretion may from time to time and at any time determine.

ARTICLE XII

Amendments

These By-Laws may be amended or repealed either:

(a) at any meeting of stockholders at which a quorum is present by vote of a majority of the number of shares of stock entitled to vote present in person or by proxy at such meeting as provided in Article I Sections 5 and 6 of these By-Laws, or

(b) at any meeting of the board of directors by a majority vote of the directors then in office;

provided the notice of such meeting of stockholders or directors or waiver of notice thereof contains a statement of the substance of the proposed amendment or repeal.

Exhibit 10.15

EMPLOYMENT AND SEVERANCE AGREEMENT
AS AMENDED AND RESTATED

This Employment and Severance Agreement (the “Agreement”), originally effective as of the 28th day of March, 2006, is amended and restated effective this 4th day of August, 2008, by and between AGCO CORPORATION, a Delaware corporation (the “Company”), and André M. Carioba (the “Executive”). This Agreement amends, restates and supersedes the Employment and Severance Agreement between the Company and the Executive effective as of the 28th day of March, 2006 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 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 a Senior Vice President 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 two (2) 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”) Six-Hundred Eighty-Two Thousand Seven-Hundred and Forty-Three Real (R$682,743) 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) 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 two (2) 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:

____.

(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, 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, 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:

____

____

____

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: ____________________

Name: ____________________

Title: ____________________

EXECUTIVE

By: ____________________

Name: ____________________

Date: ____________________

EMPLOYMENT AND SEVERANCE AGREEMENT
AS AMENDED AND RESTATED

This Employment and Severance Agreement (the “Agreement”), originally effective as of the 1st day of January, 2006, is amended and restated effective this 4th day of August, 2008, by and between AGCO CORPORATION, a Delaware corporation (the “Company”), and Robert B. Crain (the “Executive”). This Agreement amends, restates and supersedes the Employment and Severance Agreement between the Company and the Executive effective as of the 1st day of January, 2006 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 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 a Senior Vice President 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 two (2) 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”) Three Hundred and Twenty Thousand U.S. Dollars ($320,000.00) 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 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 two (2) 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: ____.

(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, 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, 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:

Robert. B. Crain
2875 Ashford Road
Atlanta, Georgia 30319

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: ______________________________

Name:

Title:

EXECUTIVE

By: ______________________________

Name:

Date:

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (the “Agreement”) is made and entered into this ______ day of _________, ______, by and between **AGCO CORPORATION**, a Delaware corporate (“Company”), and **Norman L. Boyd**, a U.S. resident (“Consultant”).

BACKGROUND:

WHEREAS, Company desires to retain Consultant to provide certain services to Company, and Consultant desires to provide such services to Company, all subject to and in accordance with the terms and conditions contained herein.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the premise, the mutual promises, covenants and agreements contain herein, and other good and valuable consideration, the receipt and sufficiency of hereby acknowledged, the parties hereto hereby agree as follows:

1. **Services**. Subject to the terms and conditions set forth in this Agreement, Company hereby retains Consultant to provide to Company certain consulting services as required by the Chief Executive Officer from time to time (the “Services”), and Consultant agrees to render the Services to Company. Consultant shall perform the Services upon the specific request of, and in accordance with the directions of, Company in each instance. Company may assign this Agreement to any wholly owned affiliate it so designates.

2. **Obligations of Consultant**. In his performance of the Services hereunder, Consultant shall at all times comply with and abide by the terms and conditions set forth in this Agreement and all applicable policies and procedures of Company. Consultant shall further perform the Services in accordance with all applicable laws, rules and regulations and by following and applying the highest professional guidelines and standards.

3. **Compensation**. Subject to the terms and conditions set forth in this Agreement, and as full and complete compensation for the Services, Company shall pay to Consultant, and Consultant shall accept, an annual fee of $200,000.00 each year during the Term. Each annual fee shall be paid annually in advance January 15 of each year of the Term.

4. **Expense Reimbursement**. The Company shall pay or reimburse Consultant for all reasonable business expenses incurred or paid by Consultant in the course of performing his duties hereunder, including but not limited to reasonable travel expenses for Consultant and his spouse. As a condition to such payment or reimbursement, however, Consultant shall maintain and provide to the Company reasonable documentation and receipts for such expenses.

5. **Independent Consultant**. Both Consultant and Company, in the performance of this Agreement, will be acting in their own separate capacities and not as agents, employees, partners, joint venturers or associates of one another. It is expressly understood and agreed that Consultant is an independent contractor of Company in all manners and respects and that

Consultant is not authorized to bind Company to any liability or obligation or to represent that he has any such authority. Consultant shall be solely responsible for all of his withholding taxes, social security taxes, unemployment taxes, and workers' compensation insurance premiums.

6. **Term and Termination**.

(a) Unless sooner terminated pursuant to the terms hereof of this Agreement shall commence as of January 1, 2010, and continue for a period of three (3) years (the "Term").

(b) Notwithstanding anything else contained herein to the contrary, and in addition to any other rights and remedies available at law, in equity or hereunder, either party hereto may cancel and terminate this Agreement if the other party fails to correct or cure any material breach hereunder within thirty (30) days after it receives written notice of such breach from the non-breaching party.

7. **Non-Competition**. Consultant agrees that during the Term and for a period of eighteen (18) months from the date of the termination or expiration of this Agreement, he will not, directly or indirectly, compete with the Company by providing to any company that is in a "Competing Business" services substantially similar to the services currently being provided by Consultant.

8. **Nonsolicitation of Employees**. For a period of two years after the termination or expiration of this Agreement, Consultant shall not, on his own behalf or on behalf of any other person, partnership, association, corporation, or other entity, solicit or in any manner attempt to influence or induce any employee of the Company or its subsidiaries or affiliates (known by the Consultant to be such) to leave the employment of the company or its subsidiaries or affiliates, nor shall he use or disclose to any person, partnership association, corporation or other entity any information obtained while an employee of the Company concerning the names and addresses of the Company's employees.

9. **Nondisclosure of Trade Secrets**. During the term of this Agreement, Consultant will have access to and become familiar with various trade secrets and proprietary and confidential information of the Company, its subsidiaries and affiliates, including, but not limited to, processes, computer programs, compilations of information, records, sale procedures, customer requirements, pricing techniques, customer lists, methods of doing business and other confidential information (collectively, referred to as "Trade Secrets") which are owned by the Company, its subsidiaries and/or affiliates and regularly used in the operation of its business, and as to which the Company, its subsidiaries and/or affiliates take precautions to prevent dissemination to persons other than certain directors, officers and employees. Consultant acknowledges and agrees that the Trade Secrets (1) are secret and not known in the industry; (2) give the Company or its subsidiaries or affiliates an advantage over competitors who do not know or use the Trade Secrets; (3) are of such value and nature as to make it reasonable and necessary to protect and preserve the confidentiality and secrecy of the Trade Secrets; and (4) are valuable, special and unique assets of the Company or its subsidiaries or affiliates, the disclosure of which could cause substantial injury and loss of profits and goodwill to the Company or its subsidiaries or affiliates. Consultant may not use in any way or disclose any of the Trade

Secrets, directly or indirectly, either during the term of this Agreement or at any time thereafter, except as required in the course of his employment under this Agreement, if required in connection with a judicial or administrative proceeding, or if the information becomes public knowledge other than as a result of an unauthorized disclosure by the Consultant. All files, records, documents, information, data and similar items relating to the business of the Company, whether prepared by Consultant or otherwise coming into his possession, will remain the exclusive property of the Company and may not be removed from the premises of the Company under any circumstances without the prior written consent of the Board (except in the ordinary course of business during Consultant's period of active employment under this Agreement), and in any event must be promptly delivered to the Company upon termination of Consultant's employment with the Company. Consultant agrees that upon his receipt of any subpoena, process or other request to produce or divulge, directly or indirectly, any Trade Secrets to any entity, agency, tribunal or person, Consultant shall timely notify and promptly hand deliver a copy of the subpoena, process or other request to the Board. For this purpose, Consultant irrevocably nominates and appoints the Company (including any attorney retained by the Company), as his true and lawful attorney-in-fact, to act in Consultant's name, place and stead to perform any act that Consultant might perform to defend and protect against any disclosure of any Trade Secrets.

10. **Severability**. The parties hereto intend all provisions of Sections 7, 8 and 9 hereof to be enforced to the fullest extent permitted by law. Accordingly, should a court of competent jurisdiction determine that the scope of any provision of Sections 7, 8 or 9 hereof is too broad to be enforced as written, the parties intend that the court reform the provision to such narrower scope as it determines to be reasonable and enforceable. In addition, however, Consultant agrees that the nonsolicitation and nondisclosure agreements set forth above each constitute separate agreements independently supported by good and adequate consideration shall be severable from the other provisions of, and shall survive, this Agreement. The existence of any claim or cause of action of Consultant against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants of Consultant contained in the nonsolicitation and nondisclosure agreements. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term hereof, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision never constituted a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added as part of this Agreement, a provision as similar in its terms to such illegal, invalid or enforceable provision as may be possible and be legal, valid and enforceable.

11. **Ownership of Work Product**. All work product, property, data, documentation, information or materials conceived, discovered, developed or created by Consultant pursuant to this Agreement (collectively, the "Work Product") shall be owned exclusively by Company. To the greatest extent possible, any "Work Product shall be deemed to be a "work made for hire" (as defined in the United States Copyright Act, 17 U.S.C.A. §101 et seq., as amended) and owned

exclusively by Company. Consultant hereby unconditionally and irrevocably transfers and assigns to Company all right, title and interest in or to any Work Product.

12. **Notices**.

(a) All notices provided for or required by this Agreement shall be in writing and shall be delivered personally to the other party, or mailed by certified or registered mail (return receipt requested), or delivered by a recognized overnight courier service, as follows:

If to Company:

Attn: General Counsel
AGCO Corporation
4205 River Green Parkway
Duluth, GA 30096
U.S.A.

If to Consultant:
Norman L. Boyd
9145 Old Southwick Pass
Alpharetta, GA 30022

(b) Notices delivered pursuant to Section 12(a) hereof shall be deemed given: at the time delivered, if personally delivered, three (3) business days after being deposited in the mail, if mailed; and one (1) business day after timely delivery to the courier, if by overnight courier service.

(c) Either party hereto may change the address to which notice is to be sent by written notice to the other party in accordance with the provisions of this Section 12.

13. **Miscellaneous**.

(a) This Agreement, including all Exhibits hereto (which are incorporated herein by this reference), contains the entire agreement and understanding concerning the subject matter hereof between the parties hereto. No waiver, termination or discharge of this Agreement, or any of the terms or provisions hereof, shall be binding upon either party hereto unless confirmed in writing. This Agreement may not be modified or amended, except by a writing executed by both parties hereto. No waiver by either party hereto of any term or provision of this Agreement or of any default hereunder shall affect such party's rights thereafter to enforce such term or provision or to exercise any right or remedy in the event of any other default, whether or not similar.

(b) The parties acknowledge and agree that this Agreement and the obligations and undertakings of the parties under this Agreement will be performable in Duluth, Georgia. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. If any action is brought to enforce or interpret this Agreement, venue for the action will lie in Gwinnett County, Georgia.

(c) Consultant may not assign this Agreement, in whole or in part, without the prior written consent of Company, and any attempted assignment not in accordance herewith shall be null and void and of no force or effect.

(d) This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(e) The headings contained herein are for the convenience of the parties only and shall not be interpreted to limit or affect in any way the meaning of the language contained in this Agreement.

(f) 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 shall constitute the same Agreement. Any signature page of any such counterpart, or any electronic facsimile thereof, may be attached or appended to any other counterpart to complete a fully executed counterpart of this Agreement, and any telecopy or other facsimile transmission of any signature shall be deemed an original and shall bind such party.

(g) If any provision of this Agreement shall be held void, voidable, invalid or inoperative, no other provision of this Agreement shall be affected as a result thereof, and accordingly, the remaining provisions of this Agreement shall remain in full force and effect as though such void, voidable, invalid or inoperative provision had not been contained herein.

(h) This Agreement shall not be construed more strongly against either party hereto regardless of which party is responsible for its preparation.

(i) Upon the reasonable request of the other party, each party hereto agrees to take any and all actions, including, without limitation, the execution of certificates, documents or instruments, necessary or appropriate to give effect to the terms and conditions set forth in this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement as of the day and year first above written.

"Company"

AGCO CORPORATION

By: ________________________
Name: ________________________
Title: ________________________

"Consultant"

____

Exhibit 10.20

AMENDMENT

Dated as of August 13, 2001

to

RECEIVABLES PURCHASE AGREEMENT

Dated as of January 27, 2000

THIS AMENDMENT (this “Amendment”) dated as of August 13, 2001, is entered into by and among AGCO FUNDING CORPORATION, as seller (the “Seller”), AGCO CORPORATION (“AGCO”), as servicer (in such capacity, the “Servicer”), NIEUW AMSTERDAM RECEIVABLES CORPORATION (“Nieuw Amsterdam”), GOTHAM FUNDING CORPORATION (“Gotham”), COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., “RABOBANK INTERNATIONAL”, NEW YORK BRANCH, individually (“Rabobank International”), as an Administrator and as Agent, and BANK OF TOKYO-MITSUBISHI TRUST COMPANY (“BTMT”), individually and as a new Administrator.

PRELIMINARY STATEMENTS

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

B. The parties hereto have agreed to add Gotham as a “Conduit Purchaser” and a “Committed Purchaser” under the Receivables Purchase Agreement and BTMT as an “Administrator” under the Receivables Purchase Agreement. In connection therewith, Nieuw Amsterdam will assign a portion of the outstanding Ownership Interests held by it to BTMT (on behalf of Gotham) such that, from and after such assignment, the percentage of the outstanding Ownership Interests held by each Related Group will be proportional to their respective Related Group Limits.

C. In addition, the parties hereto have agreed to amend the Receivables Purchase Agreement on the terms and conditions hereinafter set forth.

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

SECTION 1. Addition of New Related Group.

(a) Each of the parties hereto agrees that, effective as of the Effective Date (as defined in Section 4 below), (i) Gotham will be a party to the Receivables Purchase Agreement as a Conduit Purchaser and a Committed Purchaser and shall be bound by all of the terms and conditions thereof, (ii) BTMT will be a party to the Receivables Purchase Agreement as the Administrator for Gotham and shall be bound by all of the terms and conditions thereof, (iii) Gotham, BTMT and their respective successors and assigns will collectively represent a new “Related Group” under the Receivables Purchase Agreement and (iv) the fee letter described in Section 4(b) hereof shall be a “Fee Letter” for all purposes under the Receivables Purchase Agreement..

(b) The notice address for Gotham and BTMT for purposes of the Receivables Purchase Agreement shall be the address set forth under its name on Schedule I, or such other address as shall be designated by such party in a written notice to the other parties to the Receivables Purchase Agreement pursuant to the provisions thereof.

(c) Upon satisfaction of clauses (d) and (e) below, effective as of the Effective Date (i) the Commitment of Gotham under the Receivables Purchase Agreement will be equal to $125,000,000 and (ii) the Commitment of Rabobank International under the Receivables Purchase Agreement will be reduced to $125,000,000. The parties hereto agree that the signature pages to the Receivables Purchase Agreement will be deemed amended to reflect the arrangement described in this clause (c).

(d) Effective upon its receipt of the Assignment Price (as defined below) on the Effective Date, Nieuw Amsterdam hereby assigns to Gotham, without recourse, warranty, or representation of any kind, except as specifically provided herein, an undivided percentage ownership interest in Nieuw Amsterdam’s right, title and interest in and to the outstanding Ownership Interests such that, from and after such sale, the percentage of the outstanding Ownership Interests held by each Related Group will be proportional to their respective Related Group Limits. BTMT hereby agrees to purchase and accept such assignment on behalf of Gotham. The Seller and the Servicer hereby acknowledge and consent to the foregoing assignment.

(e) In consideration for the assignment described in paragraph (d), BTMT shall pay to Nieuw Amsterdam an amount (the “Assignment Price”) equal to $117,500,000 (which amount represents the total outstanding Investment associated with the Ownership Interests so assigned). Such amount shall be payable on the Effective Date by wire transfer of immediately available funds to Rabobank International, as Administrator for Nieuw Amsterdam.

(f) Nieuw Amsterdam hereby represents and warrants to Gotham and BTMT that Nieuw Amsterdam owns the interest in the Ownership Interests being sold and assigned hereby for its own account and has not sold, transferred or encumbered (or permitted to be encumbered) any or all of its interest in such Ownership Interests and that it has delivered to Gotham and BTMT copies of all of the Transaction Documents and amendments thereto in effect on the Effective Date.

(g) Each of Gotham and BTMT hereby acknowledges and agrees that it has entered into this Agreement on the basis of its own independent investigation and has not relied upon, and will not rely upon, any explicit or implicit written or oral representation, warranty or other statement of the Agent or any other Purchaser or Administrator concerning the authorization, execution, legality, validity, effectiveness, genuineness, enforceability or sufficiency of this Amendment, any Transaction Document, any Dealer Receivable or any Related Security (or interest therein) or any other instrument or document related to the foregoing.

(h) This Amendment, in so far as it relates to the addition of Gotham and BTMT as parties to the Receivables Purchase Agreement and the establishment of their new Related Group, shall be deemed to be a "Joinder Agreement" within the meaning of, and entered into pursuant to, the Receivables Purchase Agreement and shall be effective for all purposes thereunder.

(i) Notwithstanding the assignment described above in this Section 1, it is understood and agreed that Gotham and BTMT shall constitute a separate and distinct Related Group under the Receivables Purchase Agreement and shall not by virtue of such assignment become members of Nieuw Amsterdam's Related Group.

SECTION 2. Amendments. Subject to the satisfaction of the conditions precedent set forth in Section 3 below, the Receivables Purchase Agreement is amended as follows:

2.1 The definition of "Cash Control Event" in Section 1.01 is amended in its entirety to read as follows:

" "Cash Control Event" means the occurrence of either of the following events: (i) the Servicer's long-term corporate or senior implied rating shall be "Ba3" or lower by Moody's or "BB-" or lower by S&P or either such rating is withdrawn or (ii) any Early Amortization Event."

2.2 The definition of "CP Rate" in Section 1.01 is amended in its entirety to read as follows:

" "CP Rate" means (a) with respect to Gotham for any period, a rate per annum calculated in good faith by the Administrator for Gotham to reflect Gotham's actual cost of funding the applicable Ownership Interest (or portion thereof) held by Gotham during such period, taking into account (i) the weighted daily average interest rate payable in respect of the Commercial Paper Notes issued by Gotham during such period (determined in the case of discounted Commercial Paper Notes by converting the discount to an interest-bearing equivalent rate per annum), (ii) the commissions of placement agents and dealers in respect of such Commercial Paper Notes, to the extent such commissions are reasonably allocated, in whole or in part, to such Commercial Paper Notes by the Administrator for Gotham and (iii) other borrowings by such Conduit Purchaser, including, without limitation, borrowings to fund small or odd dollar amounts that are not easily accommodated in the commercial paper market; (b) with respect to any other Conduit Purchaser for any period, the per annum rate equivalent to the weighted average

of the per annum rates paid or payable by such Conduit Purchaser from time to time as interest on Commercial Paper Notes (by means of interest rate hedges or otherwise and taking into consideration any incremental carrying costs associated with Commercial Paper Notes issued by such Conduit Purchaser maturing on dates other than those certain dates on which such Conduit Purchaser is to receive funds) in respect of Commercial Paper Notes issued by such Conduit Purchaser that are allocated, in whole or in part, by the related Administrator (on behalf of such Conduit Purchaser) to fund or maintain the Investment of such Conduit Purchaser during such period, as determined by the related Administrator (on behalf of such Conduit Purchaser) and reported to the Seller and the Servicer, which rates shall reflect and give effect to (i) the commissions of placement agents and dealers in respect of such Commercial Paper Notes, to the extent such commissions are reasonably allocated, in whole or in part, to such Commercial Paper Notes by the related Administrator (on behalf of such Conduit Purchaser) and (ii) other borrowings by such Conduit Purchaser, including, without limitation, borrowings to fund small or odd dollar amounts that are not easily accommodated in the commercial paper market; provided that if any component of such rate is a discount rate, in calculating the CP Rate the related Administrator shall for such component use the rate resulting from converting such discount rate to an interest bearing equivalent rate per annum; and provided further that any Conduit Purchaser which becomes a party hereto pursuant to Section 12.02 may specify a different "CP Rate" in the relevant Joinder Agreement, in which case the term "CP Rate", when used in reference to such Conduit Purchaser, shall have the meaning assigned to such term in such Joinder Agreement."

2.3 The definition of "Default Ratio" in Section 1.01 is amended to delete the phrase "immediately preceding 12 months" in each place where it appears therein and to substitute therefor the phrase "immediately preceding month" in each such place.

2.4 The definition of "Defaulted Receivable" in Section 1.01 is amended to replace the number "61" with the number "91".

2.5 The definition of "Delinquent Receivable" in Section 1.01 is amended to replace the number "30" with the number "61".

2.6 Clause (g) of the definition of "Eligible Receivable" in Section 1.01 is amended in its entirety to read as follows:

"(g) such Dealer Receivable is not a Delinquent Receivable, a Defaulted Receivable or a Charged-Off Receivable,".

2.7 Section 1.01 is amended by inserting the following definition in appropriate alphabetical order:

" "Gotham" means Gotham Funding Corporation."

2.8 The definition of "Loss Reserve Percentage" in Section 1.01 is amended in its entirety to read as follows:

" "Loss Reserve Percentage" means, at any time, 2.0 times the highest average Default Ratio for any three (3) consecutive calendar months during the twelve (12) complete calendar month period then most recently ended."

2.9 The definition of "Planned Dilution Ratio" in Section 1.01 is amended by inserting "the greater of (a) 10% or (b)" immediately before the phrase "the percentage equivalent of a fraction" in such definition.

2.10 The definition of "Yield Rate" in Section 1.01 is amended in its entirety to read as follows:

" "Yield Rate" for any Settlement Period for any Ownership Interest means:

(i) to the extent the Purchase or the maintenance of such Ownership Interest is funded other than through the issuance of Commercial Paper Notes, a rate equal to the Alternative Rate for such Settlement Period, and

(ii) to the extent the Purchase or maintenance of such Ownership Interest is funded through the issuance of Commercial Paper Notes, a rate equal to the CP Rate, as applicable, for such Settlement Period;

provided, however, that from and after the occurrence and during the continuation of an Early Amortization Event, the Yield Rate for all Ownership Interests shall, if so declared by the Agent pursuant to Section 9.02, be equal to the Base Rate plus 2% per annum."

2.11 Article II is amended by adding the following new Section 2.06 thereto:

"Section 2.06 Commitment of Committed Purchasers that are also Conduit Purchasers. Notwithstanding anything herein to the contrary, any Committed Purchaser that is also a Conduit Purchaser shall not be obligated to make any Purchase hereunder unless such Committed Purchaser is able to obtain funding, liquidity or credit enhancement for such Purchase from a Conduit Funding Source pursuant to the applicable Conduit Funding Agreements. Prior to the Termination Date, each Committed Purchaser that is also a Conduit Purchaser shall take commercially reasonable efforts to, in accordance with its customary business practices and rating agency requirements, maintain a committed liquidity line or a similar committed funding source from a Conduit Funding Source in respect of, and in an amount at least equal to, its obligation to make Incremental Purchases hereunder."

2.12 Section 4.04 is hereby amended by adding the following after the words "Settlement Period" in clause (i) thereof:

"or, with respect to Gotham, any reduction to Gotham's Investment on any day other than a day that a funding tranche or funding tranches (with respect to such Investment and its Commercial Paper or its Conduit Funding Sources, as applicable) in an amount equal to or greater than the amount of such reduction are scheduled to mature".

2.13 The following new Section 4.05 is added:

"Section 4.05. Gotham's Funding Tranches. Gotham agrees to consult with the Servicer with respect to Gotham's selection of funding tranches from time to time during the term hereof, with respect to its Commercial Paper and its Conduit Funding Sources, used to fund or maintain its Investment."

2.14 Clause (g) of Section 8.07 is amended in its entirety to read as follows:

"(g) The long-term senior unsecured debt rating of AGCO is below "BB-" by S&P or below "Ba3" by Moody's or either such rating is withdrawn."

2.15 Section 8.08 is amended by (a) adding the phrase "with the consent of the Majority Purchasers" immediately after the phrase "designated by the Agent" in the first sentence thereof and (b) adding the phrase "with the consent of the Majority Purchasers" immediately after the first occurrence of the words "the Agent" in the second sentence thereof.

2.16 Clause (h)(iv) of Section 9.01 is amended in its entirety to read as follows:

"(iv) the average Default Ratio for the three most recently ended calendar months (including the calendar month ending on such day), shall exceed 3.0%".

2.17 The second sentence of Section 11.03 is amended in its entirety to read as follows:

"Rabobank, each Administrator and their respective Affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, the Seller, any of its Affiliates and any Person who may do business with or own securities of the Seller or any such Affiliate, all as if Rabobank, each Administrator and their respective Affiliates, as applicable, were not the Agent or an Administrator or acting in any other capacity under any Transaction Document or Conduit Funding Agreement, and without any duty to account therefor to the Purchasers."

2.18 Section 11.05 is amended in its entirety to read as follows:

"Section 11.05 Indemnification. The Bank of Tokyo-Mitsubishi Trust Company, in the case of Gotham's Related Group, and the Committed Purchasers, in the case of all other Related Groups, agree to indemnify the Agent and its directors, officers and employees (to the extent not reimbursed by the Seller), ratably in proportion to the respective Commitments of their applicable Related Group, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of this Agreement, any of the other Transaction Documents or the transactions contemplated hereby or thereby, or any action taken or omitted by the Agent or in any such capacity under this Agreement or any of the other Transaction Documents, provided that no such indemnifying party shall be liable for any portion of such liabilities, obligations, losses,

damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence or willful misconduct. Without limitation to the foregoing, each such indemnifying party agrees to reimburse the Agent promptly upon demand for such indemnifying party's Related Group's ratable share (computed based on the ratio which the Commitment of such Related Group bears to the aggregate of the Commitments hereunder) of any out-of-pocket expenses (including reasonable counsel fees) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment, waiver or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any of the other Transaction Documents, to the extent that such Agent is not reimbursed for such expenses by the Seller. From and after the occurrence of the Termination Date, the indemnification obligations of each such indemnifying party under this Section 11.05 shall be calculated as if the respective Commitments of their Related Group on the day immediately prior to the Termination Date remained in effect."

2.19 Clause (i) of the second sentence of Section 12.01(a) is amended in its entirety to read as follows:

"(i) any member of its Related Group (or, in the case of Gotham, any member of its Related Group and The Bank of Tokyo-Mitsubishi, Ltd.)".

2.20 Section 12.01(a) is amended to add the following sentence at the end of such section:

"The Seller hereby agrees and consents to the complete assignment by Gotham, as Conduit Purchaser, upon prior written notice to the Agent, of 100% of its rights under, interest in, title to and obligations under this Agreement to any one of (A) Bank of Tokyo-Mitsubishi Trust Company, (B) The Bank of Tokyo-Mitsubishi, Ltd. or (C) any commercial paper conduit administered by Bank of Tokyo-Mitsubishi Trust Company or The Bank of Tokyo-Mitsubishi, Ltd., and upon such assignment, (x) the assignee thereunder shall be a party hereto and have the rights and obligations of a Conduit Purchaser hereunder and (y) Gotham, as Conduit Purchaser assignor thereunder, shall relinquish its rights and be released from its obligations under this Agreement and cease to be a party hereto."

2.21 Section 12.01(b) is amended to add the following sentence immediately after the first sentence thereof:

"Gotham, as Committed Purchaser may, without the prior written consent of any Administrator, the Agent, the Seller or AGCO, assign to any one of (A) Bank of Tokyo-Mitsubishi Trust Company, (B) The Bank of Tokyo-Mitsubishi, Ltd. or (C) any commercial paper conduit administered by Bank of Tokyo-Mitsubishi Trust Company or The Bank of Tokyo-Mitsubishi, Ltd., 100% of its rights and obligations under this Agreement (including, without limitation, 100% of its Commitment and the Ownership Interests owned by it); provided, however, that (i) the parties to such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register, an Assignment Agreement together with a processing

and recordation fee of $2,000 or such lesser amount as shall be approved by the Agent, (ii) the parties to each such Assignment Agreement shall have agreed to reimburse the Agent for all fees, costs and expenses (including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Agent) incurred by the Agent in connection with such assignment and (iii) the assignee shall execute and deliver to the Seller and the Agent an Investment Letter substantially in the form of Exhibit C. For avoidance of doubt, it is understood and agreed that any subsequent assignments by any such assignee shall be subject to the terms of this Agreement."

2.22 Section 13.01(b) is amended in its entirety to read as follows:

"(b) No provision of this Agreement may be amended, supplemented, modified or waived except pursuant to a written agreement executed and delivered by the Seller, the Servicer, the Agent, each Administrator and the Majority Purchasers; provided, however, that no such amendment, supplement, modification or waiver shall without the written consent of each affected Purchaser, (A) extend the Commitment Termination Date or the date of any payment or deposit of Collections by the Seller or the Servicer, (B) reduce the rate or extend the time of payment of Yield (or any component thereof), (C) reduce any fee payable to any Administrator for the benefit of the Purchasers in its Related Group, (D) except pursuant to Article XII hereof, change the amount of the Investment of any Purchaser, any Committed Purchaser's Pro Rata Share or any Committed Purchaser's Commitment, or create, with respect to any Committed Purchaser in any Related Group, any obligation for such Committed Purchaser to make any purchase allocable to another Related Group, (E) amend, modify or waive any provision of the definition of Majority Purchasers or this Section 13.01(b), (F) consent to or permit the assignment or transfer by the Seller of any of its rights and obligations under this Agreement, (G) change the definition of "Eligible Receivable" or "Credit Enhancement", or (H) amend or modify any defined term (or any defined term used directly or indirectly in such defined term) used in clauses (A) through (G) above in a manner that would circumvent the intention of the restrictions set forth in such clauses.

Any amendment, supplement, modification or waiver made in accordance with this Section 13.01 shall apply to each of the Purchasers equally and shall be binding upon the Seller, the Servicer, the Purchasers, each Administrator and the Agent. Notwithstanding anything herein to the contrary, no amendment to this Agreement shall become effective unless and until each rating agency then rating any of the Commercial Paper Notes of Nieuw Amsterdam Receivables Corporation confirms that such amendment will not result in the reduction, withdrawal or suspension of the then current rating of such Commercial Paper Notes."

2.23 Section 13.06(b) is hereby amended by adding the following sentence to the end of such Section:

"For the avoidance of doubt, this Section 13.06(b) shall apply to each Conduit Purchaser acting in any capacity (including, without limitation, as a Committed Purchaser, if applicable) hereunder and under the other Transaction Documents."

2.24 Each reference to “NARCO” in the Receivables Purchase Agreement and each other Transaction Document shall be replaced with a reference to “Nieuw Amsterdam”.

SECTION 3. Extension of Commitment Termination Date. The Commitment Termination Date is hereby extended to July 30, 2002.

SECTION 4. Conditions Precedent. This Amendment shall become effective as of the date (the “Effective Date”) which is the later to occur of (i) August 17, 2001 and (ii) the date on which each of the following conditions precedent shall have been satisfied:

(a) the Agent shall have received a copy of this Amendment duly executed by each of the parties hereto;

(b) BTMT shall have received a fee letter (in form and substance satisfactory to BTMT) duly executed by the Seller;

(c) In accordance with Section 1(e), Nieuw Amsterdam shall have received an amount equal to the Assignment Price in immediately available funds from BTMT;

(d) each Conduit Purchaser shall have received written confirmation from each applicable rating agency that this Amendment will not adversely affect the rating of the commercial paper notes issued by such Conduit Purchaser;

(e) the Agent shall have received legal opinions from counsel to the Seller and AGCO in the respective forms attached hereto; and

(f) each of the Agent and the Seller shall have received letters substantially in the form of Exhibit C to the Receivables Purchase Agreement, duly executed by Gotham and BTMT, together with those documents (if any) required to be delivered pursuant to Section 10.03(e) of the Receivables Purchase Agreement.

SECTION 5. Covenants, Representations and Warranties of the Seller.

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

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

Event or which, with the giving of notice of the lapse of time, or both, would constitute an Early Amortization Event.

5.3 Gotham hereby makes (with respect to itself only) the representations and warranties set forth in Section 5.03 of the Receivables Purchase Agreement.

SECTION 6. Reference to and Effect on the Receivables Purchase Agreement.

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

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

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

SECTION 7. Costs and Expenses. Notwithstanding the provisions of Section 10.04 of the Receivables Purchase Agreement or any of the other Transaction Documents to the contrary, neither Seller nor Originator shall be responsible for any of the costs and expenses of negotiation, preparation, execution and delivery of this Amendment and the other instruments, documents and agreements to be delivered on or prior to the Effective Date (including, without limitation, the fees and expenses of any rating agency), and Agent shall reimburse Seller and Originator for any out-of-pocket legal fees and expenses reasonably incurred by them in connection with same.

SECTION 8. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF NEW YORK.

SECTION 9. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of a signature page hereto by facsimile shall be deemed as effective as delivery of an original executed signature page hereto.

SECTION 10. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

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

AGCO FUNDING CORPORATION

By: ______________________________
Name:
Title:

AGCO CORPORATION

By: ______________________________
Name:
Title:

BANK OF TOKYO-MITSUBISHI TRUST COMPANY, as an Administrator

By: ______________________________
Name:
Title:

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

By: ______________________________
Name:
Title:

COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.,“RABOBANK INTERNATIONAL”, NEW YORK BRANCH, as a Committed Purchaser, as an Administrator and as Agent

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

NIEUW AMSTERDAM RECEIVABLES CORPORATION, as a Conduit Purchaser

By:COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., “RABOBANK INTERNATIONAL”, NEW YORK BRANCH, its Attorney-in-Fact

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

SCHEDULE I

NOTICE ADDRESSES FOR NEW RELATED GROUP

Bank of Tokyo-Mitsubishi Trust Company
1251 Avenue of the Americas
New York, NY 10020
Attention: Securitization Group
Fax: 212/782-6998

Gotham Funding Corporation
c/o Bank of Tokyo-Mitsubishi Trust Company
1251 Avenue of the Americas
New York, NY 10020
Attention: Securitization Group
Fax: 212/782-6998

AMENDMENT NO. 3

Dated as of May 2, 2005

to

RECEIVABLES PURCHASE AGREEMENT

Dated as of January 27, 2000

THIS AMENDMENT NO. 3, dated as of May 2, 2005 (this “Amendment”), is entered into by and among AGCO FUNDING CORPORATION, as seller (the “Seller”), AGCO CORPORATION (“AGCO”), as servicer (in such capacity, the “Servicer”), NIEUW AMSTERDAM RECEIVABLES CORPORATION (“Nieuw Amsterdam”), GOTHAM FUNDING CORPORATION (“Gotham”), as a Committed Purchaser, BANK OF TOKYO-MITSUBISHI TRUST COMPANY (“BTMT”), as an Administrator, and COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., “RABOBANK INTERNATIONAL”, NEW YORK BRANCH (“Rabobank International”), as a Committed Purchaser, as an Administrator and as the Agent.

PRELIMINARY STATEMENTS

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

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

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

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

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

“AGCO Finance” means AGCO Finance LLC, a Delaware limited liability company.

“AGCO Finance Purchase Agreement” means the Receivables Purchase Agreement, dated as of May 2, 2005, among the Purchasers, the Seller, AGCO and AGCO Finance, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“AGCO Receivable” means a Dealer Receivable arising in connection with the sale of whole goods inventory comprised of a product line other than the Challenger product line.

“Challenger New Equipment Receivables Percentage” means, at any time, the aggregate Outstanding Balance of the Challenger Receivables which arose from the sale of new equipment, expressed as a percentage of the aggregate Outstanding Balance of all Challenger Receivables.

“Challenger Planned Dilution” means, with respect to any calendar month, the aggregate amount of reserves accrued on the accounting books of the Originator and the Seller with respect to program discounts expected to be taken by the Dealers with respect to Challenger Receivables at the time of settlement, as calculated by the Servicer on the last day of the immediately preceding calendar month in accordance with the accounting practices of the Originator as in effect on the date hereof.

“Challenger Planned Dilution Ratio” means, with respect to any calendar month, the greater of (a) 10% and (b) the percentage equivalent of a fraction, the numerator of which is equal to the aggregate Challenger Planned Dilution for such calendar month, and the denominator of which is equal to the aggregate Outstanding Balance of the Challenger Receivables which arose from the sale of new equipment as of the last day of the immediately preceding calendar month.

“Challenger Receivable” means a Dealer Receivable arising in connection with the sale of whole goods inventory comprised of the Challenger product line.

“Collection Proceeding” means, with respect to any Obligor, any legal collection, replevin or injunctive action initiated or commenced by the Servicer, the Originator, Seller, the Agent, any Purchaser or AGCO Finance taken to enforce any obligation (including, without limitation, any Dealer Receivable) owed by such Obligor to the Servicer, the Originator, the Seller, any Purchaser or AGCO Finance.

“Conveyance Notice” means each notice delivered to the Agent and the Seller by AGCO Finance or the Servicer with respect to the purchase by AGCO Finance of the Ownership Interest of the Purchasers and the Retained Interest in Dealer Receivables.

“Conveyance Price” means, with respect to a Conveyed Receivable, the aggregate purchase price paid by AGCO Finance to the Purchasers and the Seller for such Conveyed Receivable pursuant to the AGCO Finance Purchase Agreement.

“Conveyed Receivable” means a Dealer Receivable with respect to which the Ownership Interest of the Purchasers and the Retained Interest have been purchased by AGCO Finance in accordance with the provisions of the AGCO Finance Purchase Agreement.

“Intercreditor Agreement” means the Amended and Restated Intercreditor Agreement, dated as of May 2, 2005, among Rabobank, in its capacities as Agent and as administrative agent under the “Servicer Credit Facility” (as such term is defined in the Servicing Agreement), AGCO Finance and AGCO, in its capacity as Servicer, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Pooled CP Rate” mean, for each day with respect to any Ownership Interest (or portion thereof) held by Gotham as to which the Pooled CP Rate is applicable, the sum of (i) discount or yield accrued (including, without limitation, any associated with financing the discount or interest component on the roll-over of any Pooled Commercial Paper) on its Pooled Commercial Paper on such day, plus (ii) any and all accrued commissions in respect of its placement agents and commercial paper dealers, and issuing and paying agent fees incurred, in respect of such Pooled Commercial Paper for such day, plus (iii) other costs (including without limitation those associated with funding small or odd-lot amounts) with respect to all receivable purchase, credit and other investment facilities which are funded by the applicable Pooled Commercial Paper for such day. The Pooled CP Rate shall be determined by the Administrator for Gotham, whose determination shall be conclusive.

“Pooled Commercial Paper” means Commercial Paper Notes of Gotham which are subject to any particular pooling arrangement, as determined by the Administrator for Gotham (it being recognized that there may be more than one distinct groups of Pooled Commercial Paper at any time).

“Purchase Termination Event” has the meaning specified in the AGCO Finance Purchase Agreement.

“Retained Interest” means, at any time, the Seller’s undivided percentage ownership interest (computed as set forth below) in (i) each Dealer Receivable existing at such time, (ii) all Related Security with respect to each such Dealer Receivable, and (iii) all Collections with respect to, and other proceeds of, each such Dealer Receivable. Each such

undivided percentage ownership interest shall equal, at any time, 100% minus the Ownership Interest at such time.

"Servicing Agreement" means the Servicing and Support Agreement, dated as of May 2, 2005, between AGCO and AGCO Finance, as the same may be amended, restated, supplemented or otherwise modified from time to time.

1.02. The definition of "Adverse Claim" in Section 1.01 is hereby amended to read in its entirety as follows:

"Adverse Claim" means a lien, security interest, charge, encumbrance, or other right or claim in, of or on any Person's assets or properties in favor of any other Person; provided that the right of AGCO Finance to Purchase any Dealer Receivable under the AGCO Finance Purchase Agreement shall not be construed as an Adverse Claim hereunder.

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

"Collections" means, with respect to any Dealer Receivable, all cash collections and other cash proceeds in respect of such Dealer Receivable, including, without limitation, all yield, finance charges or other related amounts accruing in respect thereof, all cash proceeds of Related Security with respect to such Dealer Receivable, all Deemed Collections with respect to such Dealer Receivable and any Conveyance Price paid in immediately available funds with respect to such Dealer Receivables. Without limiting the generality of the foregoing,it is understood and agreed that Collections shall include all amounts received (including insurance proceeds, if any) with respect to Dealer Receivables which have previously become Defaulted Receivables or Charged-Off Receivables.

1.04. The definition "CP Rate" in Section 1.01 is hereby amended to read in its entirety as follows:

"CP Rate" means (a) with respect to Gotham for any period, (I) unless the Administrator for Gotham has determined that the Pooled CP Rate shall be applicable, a rate per annum equal to the rate per annum calculated by the Administrator for Gotham to reflect Gotham's cost of funding the applicable Ownership Interest, taking into account the weighted daily average interest rate payable in respect of the Commercial Paper Notes issued by Gotham during such period (determined in the case of discount Commercial Paper Notes by converting the discount to an interest bearing equivalent rate per annum), applicable placement fees and commissions, and such other costs and expenses as the Administrator for

Gotham in good faith deems appropriate; and (II) to the extent the Administrator for Gotham has determined that the Pooled CP Rate shall be applicable, the Pooled CP Rate; and (b) with respect to any other Conduit Purchaser for any period, the per annum rate equivalent to the weighted average of the per annum rates paid or payable by such Conduit Purchaser from time to time as interest on Commercial Paper Notes (by means of interest rate hedges or otherwise and taking into consideration any incremental carrying costs associated with Commercial Paper Notes issued by such Conduit Purchaser maturing on dates other than those certain dates on which such Conduit Purchaser is to receive funds) in respect of Commercial Paper Notes issued by such Conduit Purchaser that are allocated, in whole or in part, by the related Administrator (on behalf of such Conduit Purchaser) to fund or maintain the Investment of such Conduit Purchaser during such period, as determined by the related Administrator (on behalf of such Conduit Purchaser) and reported to the Seller and the Servicer, which rates shall reflect and give effect to (i) the commissions of placement agents and dealers in respect of such Commercial Paper Notes, to the extent such commissions are reasonably allocated, in whole or in part, to such Commercial Paper Notes by the related Administrator (on behalf of such Conduit Purchaser) and (ii) other borrowings by such Conduit Purchaser, including, without limitation, borrowings to fund small or odd dollar amounts that are not easily accommodated in the commercial paper market;provided that if any component of such rate is a discount rate, in calculating the CP Rate the related Administrator shall for such component use the rate resulting from converting such discount rate to an interest bearing equivalent rate per annum; and provided further that any Conduit Purchaser which becomes a party hereto pursuant to Section 12.02 may specify a different "CP Rate" in the relevant Joinder Agreement, in which case the term "CP Rate", when used in reference to such Conduit Purchaser, shall have the meaning assigned to such term in such Joinder Agreement.

1.05. The definition "Dealer Agreement" in Section 1.01 is hereby amended to read in its entirety as follows:

"Dealer Agreement" means an agreement between the Originator and another Person that has agreed to act as a dealer for equipment manufactured or distributed by the Originator including, without limitation, any "Dealer Sales and Service Agreement" in substantially the form attached hereto as Exhibit G or any substantially similar agreement, howsoever denominated or, with respect to a Challenger Receivable, any "Challenger® Dealer Sales and Service Agreement" in substantially the form attached hereto as Exhibit H or any substantially similar agreement, howsoever denominated.

1.06. The definition "Dealer Concentration Limit" in Section 1.01 is hereby amended to read in its entirety as follows:

"Dealer Concentration Limit" means, at any time with respect to (i) each Obligor with Dealer Receivables owing from it, together with Dealer Receivables owing from its Affiliates, that represent one of the three Obligors, together with its Affiliates, with the highest Outstanding Balance of Eligible Dealer Receivables, 2.5% of the Eligible Receivables Balance and (ii) any other Obligor and its Affiliates, 1.5% of the Eligible Receivables Balance (or, in each case, if a Special Concentration Limit is in effect with respect to such Obligor and its Affiliates, such Special Concentration Limit).

1.07. The definition "Dealer Receivable" in Section 1.01 is hereby amended to read in its entirety as follows:

"Dealer Receivable" means the indebtedness and other obligations owed to the Seller (without giving effect to any transfer or conveyance hereunder) or in which the Seller has a security interest or other interest, whether constituting an account, chattel paper, instrument or general intangible, arising in connection with the sale of farm machinery (other than a sale of individual parts) to a United States Dealer pursuant to a Dealer Agreement and includes, without limitation, the obligation to pay any finance, interest, late payment charges or similar charges with respect thereto. Indebtedness and other rights and obligations arising from any one transaction, including, without limitation, indebtedness and other rights and obligations represented by an individual invoice, shall constitute a Dealer Receivable separate from a Dealer Receivable consisting of the indebtedness and other rights and obligations arising from any other transaction.

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

(c) such Dealer Receivable arises under a Dealer Agreement substantially in the form attached hereto as Exhibit G (in the case AGCO Receivables) or Exhibit H (in the case of Challenger Receivables) (or, in either case, in such other form as shall have been approved in writing by the Agent, such approval not to be unreasonably withheld), which, together with such Dealer Receivable, is in full force and effect and has not been terminated and constitutes the legal, valid and binding obligation of the related Obligor enforceable against such Obligor in accordance with its terms subject to no offset, counterclaim or other defense or contingency; provided, that Challenger Receivables shall not exceed 25% of the aggregate Outstanding Balance of all Dealer Receivables;

(l) the Dealer Agreement under which such Dealer Receivable arises provides for interest to accrue on the Outstanding Balance of such Dealer Receivables prior to its final due date at a rate per annum equal to or greater than the rate of interest published in the New York edition of

The Wall Street Journal as the prime rate (or,if such rate is not so published, the rate of interest publicly announced by the Agent as its prime or reference rate) plus 2%; provided, that (i) Challenger Receivables shall not be subject to this paragraph (l) and (ii) AGCO Receivables which satisfy all criteria in this definition other than this paragraph (l) may be treated as Eligible Receivables hereunder so long as the aggregate Outstanding Balance of such AGCO Receivables does not exceed 20% of the aggregate Outstanding Balance of all Dealer Receivables;

1.09. The definition "Eligible Receivable" in Section 1.01 is hereby further amended by deleting the word "and" at the end of paragraph (r), relettering paragraph (s) as paragraph (u) and adding new paragraphs (s) and (t) as follows:

(s) such Dealer Receivable is not accruing interest on the Outstanding Balance thereof;

(t) the Obligor of such Dealer Receivable is not subject to any Collection Proceeding; and

1.10. The definition "Material Adverse Effect" in Section 1.01 is hereby amended to read in its entirety as follows:

"Material Adverse Effect" means a material adverse effect on (i) the financial condition or operations of the Seller, the Originator and its Subsidiaries or the Servicer, (ii) the ability of the Seller, the Originator or the Servicer to perform its obligations under this Agreement or the Originator Sale Agreement, (iii) the legality, validity or enforceability of this Agreement, the Originator Sale Agreement or the AGCO Finance Purchase Agreement, (iv) the Seller's or any Purchasers' interest in the Dealer Receivables generally or in any significant portion of the Dealer Receivables, the Related Security or the Collections with respect thereto, or (vi) the collectibility of the Dealer Receivables generally or of any material portion of the Dealer Receivables.

1.11. The definition "Net Eligible Receivables Balance" in Section 1.01 is hereby amended to read in its entirety as follows:

"Net Eligible Receivables Balance" means, at any time, an amount equal to (a) the Eligible Receivables Balance minus (b) the sum of (1) the product of (x) the Planned Dilution Ratio, times (y) the New Equipment Receivables Percentage, times (z) the Eligible Receivables Balance, plus (2) the product of (x) the Challenger Planned Dilution Ratio, times (y) the Challenger New Equipment Receivables Percentage, times (z) the Eligible Receivables Balance.

1.12. The definition "New Equipment Receivables Percentage" in Section 1.01 is hereby amended to read in its entirety as follows:

"New Equipment Receivables Percentage" means, at any time, the aggregate Outstanding Balance of the AGCO Receivables which arose from the sale of new equipment, expressed as a percentage of the aggregate Outstanding Balance of all AGCO Receivables.

1.13. The definition "Ownership Interest" in Section 1.01 is hereby amended by adding the following sentence to the end thereof:

The Purchasers shall not have an Ownership Interest in any Conveyed Receivable.

1.14. The definition "Payment Rate" in Section 1.01 is hereby amended to read in its entirety as follows:

"Payment Rate" means, at any time, the percentage equivalent of a fraction, the numerator of which is equal to the sum of the original Outstanding Balance of all Dealer Receivables for which the final payment of principal owing by the Obligor was made in the immediately preceding calendar month, and the denominator of which is equal to the aggregate Outstanding Balance of all Dealer Receivables (and other than Dealer Receivables with respect to which AGCO Finance has purchased, with immediately available funds in accordance with the AGCO Finance Purchase Agreement, the Ownership Interest of the Purchasers and the Retained Interest in the immediately preceding calendar month) as of the last day of the second preceding calendar month.

1.15. The definition "Planned Dilution" in Section 1.01 is hereby amended to read in its entirety as follows:

"Planned Dilution" means, with respect to any calendar month, the aggregate amount of reserves accrued on the accounting books of the Originator and the Seller with respect to program discounts expected to be taken by the Dealers with respect to AGCO Receivables at the time of settlement, as calculated by the Servicer on the last day of the immediately preceding calendar month in accordance with the accounting practices of the Originator as in effect on the date hereof.

1.16. The definition "Planned Dilution Amount" in Section 1.01 is hereby amended to read in its entirety as follows:

"Planned Dilution Amount" means an amount, determined as of the Business Day immediately preceding the Termination Date, equal to the sum of (a) the sum of (x) the Challenger Planned Dilution plus (y) the Planned Dilution, in each case, for the calendar month then most recently ended plus (b) the product of (i) the Variable Dilution Reserve Percentage and (ii) the Net Eligible Receivables Balance.

1.17. The definition “Planned Dilution Ratio” in Section 1.01 is hereby amended to read in its entirety as follows:

“Planned Dilution Ratio” means, with respect to any calendar month, the greater of (a) 10% and (b) the percentage equivalent of a fraction, the numerator of which is equal to the aggregate Planned Dilution for such calendar month, and the denominator of which is equal to the aggregate Outstanding Balance of the AGCO Receivables which arose from the sale of new equipment as of the last day of the immediately preceding calendar month.

1.18. The last proviso in the definition “Special Concentration Limit” in Section 1.01 is hereby amended to read in its entirety as follows:

provided further that in no event shall the Special Concentration Limit of any single Obligor be reduced so that the Dealer Receivables owing from such single Obligor together with the Dealer Receivables owing from its Affiliates are required to be less than the Dealer Concentration Limit applicable to such Obligor.

1.19. The definition “Transaction Documents” in Section 1.01 is hereby amended to read in its entirety as follows:

“Transaction Documents” means, collectively, this Agreement, each Purchase Notice, the Originator Sale Agreement, each Joinder Agreement, each Deposit Account Agreement, the Fee Letters, the Subordinated Note, the AGCO Finance Purchase Agreement, each Conveyance Notice, the Intercreditor Agreement and all other instruments, documents and agreements executed and delivered in connection herewith.

1.20. The definition “Variable Dilution” in Section 1.01 is hereby deleted in its entirety.

1.21. The definition “Variable Dilution Ratio” in Section 1.01 is hereby amended to read in its entirety as follows:

“Variable Dilution Ratio” means, with respect to any calendar month, a percentage equal to the Dilution Ratio minus sum of (i) the product of (1) the Challenger Planned Dilution Ratio times (2) a fraction, the numerator of which is equal to the aggregate Outstanding Balance of the Challenger Receivables which arose from the sale of new equipment as of the last day of the immediately preceding calendar month, and the denominator of which is equal to the aggregate Outstanding Balance of the Dealer Receivables which arose from the sale of new equipment as of the last day of the immediately preceding calendar month plus (ii) the product of (1) the Planned Dilution Ratio times (2) a fraction, the numerator of which is equal to the aggregate Outstanding Balance of the AGCO Receivables which arose from the sale of new equipment as of the last day

of the immediately preceding calendar month, and the denominator of which is equal to the aggregate Outstanding Balance of the Dealer Receivables which arose from the sale of new equipment as of the last day of the immediately preceding calendar month.

1.22. The definition "Variable Dilution Reserve Percentage" in Section 1.01 is hereby amended to read in its entirety as follows:

"Variable Dilution Reserve Percentage" means, at any time, a percentage equal to the product of (i) 2.0 times, (ii) 1 minus the Loss Reserve Percentage, times (iii) the highest three month rolling average Variable Dilution Ratio during the twelve complete calendar month period then most recently ended.

1.23. Section 5.01 is hereby amended by adding the following new subsection (u) at the end thereof:

(u) Payments from AGCO Finance. With respect to the Retained Interest in each Dealer Receivable transferred to AGCO Finance under the AGCO Finance Purchase Agreement, the Seller has received reasonably equivalent value from AGCO Finance in consideration therefor and such transfer was not made for or on account of an antecedent debt. No transfer by the Seller of any such Retained Interest under the AGCO Finance Purchase Agreement is or may be voidable under any section of the Bankruptcy Reform Act of 1978 (11 U.S.C. §§ 101 et seq.), as amended.

1.24. Section 7.01(a) is hereby amended by adding the following new paragraphs at the end thereof:

(viii) Purchase Termination Events. The occurrence of each Purchase Termination Event and each event which with the passage of time or the giving of notice, or both, would be a Purchase Termination Event, by a statement of an Authorized Officer of the Seller.

(ix) Termination Date. The occurrence of the "Termination Date" under the AGCO Finance Purchase Agreement.

1.25. Paragraphs (xii) and (xiv) of Section 7.01(h) are hereby amended to read in their entirety as follows:

(xii) operate its business and activities such that: it does not engage in any business or activity of any kind, or enter into any transaction or indenture, mortgage, instrument, agreement, contract, lease or other undertaking, other than the transactions contemplated and authorized by this Agreement, the Originator Sale Agreement, the AGCO Finance Purchase Agreement and the other Transaction Documents;

(xiv) maintain the effectiveness of, and continue to perform under, the Originator Sale Agreement and the AGCO Finance Purchase Agreement;

1.26. The last sentence of Section 7.01(i) is hereby amended to read in its entirety as follows:

The Seller shall maintain exclusive ownership, dominion and control (subject to the terms of this Agreement) of each Lock-Box and Deposit Account and shall not grant the right to take dominion and control of any Lock-Box or Deposit Account at a future time or upon the occurrence of a future event to any Person, except to the Agent as contemplated by this Agreement and to the AGCO Finance as contemplated by the AGCO Finance Purchase Agreement but subject to the Intercreditor Agreement).

1.27. Section 7.01 is hereby amended by adding the following new subsection (l) at the end thereof:

(l) Performance and Enforcement of AGCO Finance Purchase Agreement. The Seller shall perform its obligations and undertakings under and pursuant to the AGCO Finance Purchase Agreement, and shall sell the Retained Interest in Dealer Receivables thereunder in compliance with the terms thereof.

1.28. Sections 7.02(d), (f) and (i) are hereby amended to read in their entirety as follows:

(d) Sales, Liens. The Seller shall not sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, or create or suffer to exist any Adverse Claim upon (including, without limitation, the filing of any financing statement) or with respect to, any Dealer Receivable, Related Security or Collections, or upon or with respect to any Contract under which any Dealer Receivable arises, or any Lock-Box or Deposit Account, or assign any right to receive income with respect thereto (other than, in each case, the creation of the interests (i) therein in favor of the Agent and the Purchasers provided for herein or (ii) in Conveyed Receivables and Related Security and Collections with respect to Conveyed Receivables in favor of AGCO Finance pursuant to the AGCO Finance Purchase Agreement), and the Seller shall defend the right, title and interest of the Agent and the Purchasers in, to and under any of the foregoing property, against all claims of third parties (other than any claim of AGCO Finance arising pursuant to the AGCO Finance Purchase Agreement) claiming through or under the Seller or the Originator.

(f) Nature of Business; Other Agreements; Other Indebtedness. The Seller shall not engage in any business or activity of

any kind or enter into any transaction or indenture, mortgage, instrument, agreement, contract, lease or other undertaking other than the transactions contemplated and authorized by this Agreement, the Originator Sale Agreement, the AGCO Finance Purchase Agreement and the other Transaction Documents. Without limiting the generality of the foregoing, the Seller shall not create, incur, guarantee, assume or suffer to exist any indebtedness or other liabilities, whether direct or contingent, other than (i) as a result of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business, (ii) the incurrence of obligations under this Agreement, (iii) the incurrence of obligations, as expressly contemplated in the Originator Sale Agreement, any other Transaction Document or the AGCO Finance Purchase Agreement, and (iv) the incurrence of operating expenses in the ordinary course of business. In the event the Seller shall at any time borrow a loan under the Originator Sale Agreement, the obligations of the Seller in connection with any such borrowing shall be subordinated to the Unpaid Obligations, on such terms as shall be reasonably satisfactory to each Administrator.

(i) Merger. The Seller shall not merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions, and except as otherwise contemplated herein or in the AGCO Finance Purchase Agreement) all or any material part of its assets (whether now owned or hereafter acquired) to, or acquire all or any material part of the assets of, any Person.

1.29. Section 7.02 is hereby amended by adding the following new subsection (l) at the end thereof:

(l) Amendments to the AGCO Finance Purchase Agreement. The Seller shall not, without the prior written consent of the Agent (which consent will not be unreasonably withheld), (i) cancel or terminate the AGCO Finance Purchase Agreement or (ii) give any consent, directive or approval under the AGCO Finance Purchase Agreement except as required by applicable law.

1.30. Section 7.03(b) is hereby amended by adding the following new paragraphs at the end thereof:

(iv) Purchase Termination Events. The occurrence of each Purchase Termination Event and each event which with the passage of time or the giving of notice, or both, would be a Purchase Termination Event, by a statement of an Authorized Officer of the Servicer.

(v) Servicer Default. The occurrence of any “Servicer Event of Default” under the Servicing Agreement.

1.31. Section 8.02(f) is hereby amended to read in its entirety as follows:

(f) The Servicer shall apply Collections to Dealer Receivables as specified by the applicable Obligor or, if not so specified, shall take or cause to be taken such action as may be necessary to determine the Dealer Receivables to which Collections should apply. Any payment by an Obligor in respect of any Dealer Receivable that, after the Servicer's compliance with the obligations set forth in the immediately preceding sentence, is not applied to a specific Dealer Receivable shall, except as otherwise required by contract or law and unless otherwise instructed by the Agent, be applied in accordance with the methodology set out in for the application of such payments in the Credit and Collection Policy.

1.32. Paragraph (h) of Section 9.01 is hereby amended to read in its entirety as follows:

(h) As at the end of any calendar month, (i) the Variable Dilution Ratio shall exceed 5.0%, (ii) the average of the Challenger Planned Dilution Ratios for the three most recently ended calendar months shall exceed 20.0%, (iii) the average of the Planned Dilution Ratios for the three most recently ended calendar months shall exceed 20.0%, (iv) the average of the Payment Rates for the three most recently ended calendar months shall be less than (x) if such three calendar month period shall end with the month of January, February, March or April, 9% and (y) in all other cases, 13% or (v) the average Default Ratio for the three most recently ended calendar months (including the calendar month ending on such date) shall exceed 3.0%;

1.33. Section 9.01 is hereby amended by deleting the word "or" at the end of paragraph (i), deleting the period at the end of paragraph (j) and substituting in replacement thereof "; or" and adding a new paragraph (k) as follows:

(k) Either the Seller or AGCO Finance shall have initiated or commenced any legal collection, replevin , injunctive or other action to enforce any obligation owed by the Originator under the Originator Sale Agreement.

1.34. Paragraph (x) of Section 10.01(a) is hereby amended in its entirety to read as follows:

(x) any failure of the Seller to acquire and maintain legal and equitable title to, and ownership of any Dealer Receivable and the Related Security and Collections with respect thereto from the Originator, free and clear of any Adverse Claim (other than as created hereunder); any failure of the Seller to give reasonably equivalent value to the Originator under the Originator Sale Agreement in consideration of the transfer by the Originator of any Dealer Receivable, or any attempt by any Person to void

such transfer under statutory provisions or common law or equitable action; or any failure of the Seller to have a first priority perfected security interest in the Equipment the sale of which gave rise to any AGCO Receivable;

1.35. Section 10.01(a) is hereby amended deleting the word “or” at the end of paragraph (xiv), deleting the period at the end of paragraph (xv) and substituting in replacement thereof a semi-colon and by adding the following new paragraphs at the end thereof:

(xvi) the purchase by AGCO Finance of Ownership Interests of the Purchasers or the Retained Interest in Dealer Receivables as contemplated by the AGCO Finance Purchase Agreement; or

(xv) the AGCO Finance Purchase Agreement or the Intercreditor Agreement.

1.36. Section 10.01(b) is hereby amended deleting the word “or” at the end of paragraph (ix), deleting the period at the end of paragraph (x) and substituting in replacement thereof a semi-colon and by adding the following new paragraphs at the end thereof:

(xi) the Servicing Agreement; or

(xii) any failure of AGCO Finance to give reasonably equivalent value to the Purchasers or the Seller under the AGCO Finance Purchase Agreement in consideration of the transfer by the Purchasers of the Ownership Interest of the Purchasers in any Dealer Receivables or by the Seller of the Retained Interest in any Dealer Receivable, any attempt by any Person to void any such transfer under statutory provisions or common law or equitable action, or any attempt by any Person to void any such transfer under statutory provisions or common law or equitable actions.

1.37. Paragraphs (a), (b), (d) and (e) of Section 12.01 are hereby amended to read in their entirety as follows:

(a) Neither the Seller nor the Servicer nor any Purchaser shall have the right to assign its rights or obligations under this Agreement except to the extent otherwise provided herein. Subject to the compliance by the assignee of Section 12.01(g), the Seller hereby agrees and consents to the complete or partial assignment by any Conduit Purchaser of all or any portion of its rights under, interest in, title to and obligations under this Agreement to (i) any member of its Related Group and (ii) any other Person approved by the Seller (such approval not to be unreasonably withheld), and upon such assignment, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such assignment, have the rights and

obligations of a Conduit Purchaser hereunder and (y) the Conduit Purchaser assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such assignment, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an assignment covering all or the remaining portion of an assigning Conduit Purchaser's rights and obligations under this Agreement, such Conduit Purchaser shall cease to be a party hereto).

(b) Subject to the compliance by the assignee of Section 12.01(g), each Committed Purchaser may, with the prior written consent of the Administrator for its Related Group, the Seller and AGCO (which consent shall not be unreasonably withheld), assign to one or more banks or other entities all its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Ownership Interests owned by it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of all of the assigning Committed Purchaser's rights and obligations under this Agreement, (ii) the amount of the Commitment of the assigning Committed Purchaser being assigned pursuant to each such assignment (determined as of the date of the Assignment Agreement with respect to such assignment) shall in no event be less than the lesser of (A) $20,000,000 or an integral multiple of $1,000,000 in excess of that amount and (B) the full amount of the assigning Committed Purchaser's Commitment, (iii) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register, an Assignment Agreement together with a processing and recordation fee of $2,000 or such lesser amount as shall be approved by the Agent, (iv) the parties to each such Assignment Agreement shall have agreed to reimburse the Agent for all fees, costs and expenses (including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Agent) incurred by the Agent in connection with such assignment, (v) the assignee shall execute and deliver to the Seller and the Agent an Investment Letter substantially in the form of Exhibit C and (vi) the assignee shall deliver to the Agent and AGCO evidence satisfactory to AGCO that such assignee has compiled with the terms of Section 12.01(g). Upon such execution, delivery, acceptance and recording by the Agent, from and after the effective date specified in such Assignment Agreement, which effective date shall be the date of acceptance of such Assignment Agreement by the Agent, unless a later date is specified therein, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment Agreement, have the rights and obligations of a Committed Purchaser hereunder and (y) the Committed Purchaser assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment Agreement, relinquish its rights and be released from its obligations under

this Agreement (and, in the case of an Assignment Agreement covering all or the remaining portion of an assigning Committed Purchaser's rights and obligations under this Agreement, such Committed Purchaser shall cease to be a party hereto).

(d) Subject to the provisions of Section 12.01(b), upon its receipt of an Assignment Agreement executed by an assigning Committed Purchaser and an assignee and upon its receipt of evidence of such assignees compliance with Section 12.01(g), the Agent shall, if such Assignment Agreement has been completed and is in substantially the form of Exhibit F hereto, (i) accept such Assignment Agreement, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Seller and each Administrator.

(e) Each Committed Purchaser may sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Ownership Interests owned by it); provided, however, that (i) such Committed Purchaser's obligations under this Agreement (including, without limitation, its Commitment to the Seller hereunder) shall remain unchanged, (ii) such Committed Purchaser shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Seller, the Servicer, each Administrator, the Agent and the other Purchasers shall continue to deal solely and directly with such Committed Purchaser in connection with such Committed Purchaser's rights and obligations under this Agreement, (iv) such Committed Purchaser shall give prior written notice to the Agent and the Administrator for its Related Group of the identity of such participant and (v) such participation shall not impair the right, power or ability of such Committed Purchaser to fulfill its obligations under the AGCO Finance Purchase Agreement. Notwithstanding anything herein to the contrary, each participant shall have the rights of a Committed Purchaser (including any right to receive payment under Sections 10.02 and 10.03); provided, however, that no participant shall be entitled to receive payment under either such Section in excess of the amount that would have been payable under such Section by the Seller to the Committed Purchaser granting its participation had such participation not been granted, and no Committed Purchaser granting a participation shall be entitled to receive payment under such Section in an amount which exceeds the sum of (x) the amount to which such Committed Purchaser is entitled under such Section with respect to payments to be made to it which are not subject to any participation, plus (y) the aggregate amount to which its participants are entitled under such Sections with respect to the amounts of their respective participations. With respect to any participation described in this Section 12.01(e), the participant's rights as set forth in the agreement between such participant and the applicable Committed Purchaser to agree to or to restrict such Committed Purchaser's

ability to agree to any modification, waiver or release of any of the terms of this Agreement or any other Transaction Document or to exercise or refrain from exercising any powers or rights which such Committed Purchaser may have under or in respect of any Transaction Document shall be limited to the right to consent to any of the matters set forth in Section 13.01(b)(i) of this Agreement.

1.38. Section 12.01 is hereby amended by adding a new paragraph (g) as follows:

(g) No assignment by any Purchaser hereunder shall be effective unless and until the assignee thereof shall have become a signatory to the AGCO Finance Purchase Agreement as a "Securitization Seller" thereunder.

1.39. Section 13.13(b) and (c) are hereby amended to read in their entirety as follows:

(b) In addition to any ownership interest which the Agent may from time to time acquire pursuant hereto, the Seller hereby grants to the Agent for the ratable benefit of the Purchasers a valid security interest in all of the Seller's right, title and interest in, to and under all Dealer Receivables now existing or hereafter arising, the Collections, each Deposit Account, all Related Security, all other rights and payments relating to such Dealer Receivables, all of the Seller's rights under the Originator Sale Agreement and under the AGCO Finance Purchase Agreement and all proceeds of any thereof prior to all other liens on and security interests therein to secure the prompt and complete payment of the Unpaid Obligations; provided, however, that the Agent and the Purchasers hereby agree that no security interest is granted in any cash collections or other property included in any Deposit Account to the extent such cash collections or other property does not constitute Dealer Receivables, Related Security or Collections, and the Servicer shall dispose of such cash collections or other property as provided in Section 8.02(e) hereof; provided, further, that the Agent's security interest in any Dealer Receivable and Related Security with respect to thereto shall automatically terminate when (i) such Dealer Receivable becomes a Conveyed Receivable and (ii) AGCO Finance has made payment therefor in accordance with the AGCO Finance Agreement. After an Early Amortization Event, the Agent and the Purchasers shall have, in addition to the rights and remedies that they may have under this Agreement, all other rights and remedies provided to a secured creditor after default under the UCC and other applicable law, which rights and remedies shall be cumulative.

(c) The Seller acknowledges that the Related Security includes the Originator Sale Agreement and the Seller's right to payment under the

AGCO Finance Purchase Agreement, and that all of the Seller's right and title to, and interest in, the Originator Sale Agreement and its rights to payment under the AGCO Finance Purchase Agreement are subject to the Ownership Interests acquired by the Purchasers hereunder and the security interest granted to the Agent, for the benefit of the Purchasers, pursuant to Section 13.3(b). Accordingly, the Seller agrees that the Agent, on behalf of the Purchasers, shall have the right (which, upon the occurrence and during the continuance of an Early Amortization Event, shall be an exclusive right) to (i) enforce the Seller's rights and remedies under the Originator Sale Agreement, to receive all amounts payable thereunder or in connection therewith, to consent to amendments, modifications or waivers thereof, and to direct, instruct or request any action thereunder, but in each case without any obligation on the part of the Agent to perform any of the obligations of the Seller under the Originator Sale Agreement and (ii) the Seller's rights to receive payment under the AGCO Finance Purchase Agreement. The Agent, on behalf of the Purchasers shall have the exclusive right to direct enforcement by the Seller of its rights and remedies under the Originator Sale Agreement and its rights to receive payments under the AGCO Finance Purchase Agreement.

1.40. The Table of Contents is hereby amended by deleting the reference to Exhibit G and substituting in replacement thereof the following:

Exhibit G Form of Dealer Agreement (other than with respect to Challenger Dealer Receivables)

Exhibit H Form of Dealer Agreement (with respect to Challenger Dealer Receivables)

1.41. Exhibit G is hereby amended in its entirety as set forth in Exhibit A hereto, and a new Exhibit H is hereby added as set forth in Exhibit B hereto.

SECTION 2. Condition Precedent. This Amendment shall become effective on the date (the "Effective Date") on which the Agent and the Administrators shall have received the following, each (unless otherwise indicated) dated such date and in form and substance satisfactory to the Agent and the Administrators:

(a) Certificates of the Secretary or Assistant Secretary of the Seller, AGCO and AGCO Finance certifying the names and true signatures of their respective officers authorized to sign this Amendment, the AGCO Finance Purchase Agreement, the Servicing Agreement, the Intercreditor Agreement and the other documents to be delivered by them hereunder or thereunder or in connection herewith or therewith, evidence of authorization of the transactions contemplated hereby and thereby, the articles of incorporation (including an amendment to the articles of incorporation of the Seller permitting the transactions contemplated by the AGCO Finance Purchase Agreement) or formation (attached and appropriately certified by the Secretary of State of the Seller's, AGCO's and AGCO Finance's jurisdiction of incorporation or formation) and the by-laws and all amendments thereto of the Seller and AGCO.

(b) Amendments to financing statements previously filed under the UCC of all jurisdictions that the Agent or the Administrators may deem necessary or desirable in order (i) to perfect the ownership interests contemplated by the Receivables Purchase Agreement as amended by this Amendment and (ii) to perfect the ownership interests of the Seller in the receivables purchased by the Seller from AGCO pursuant to the Originator Sale Agreement as amended by the amendment thereto referred to in paragraph (e) below.

(c) UCC termination statements, if any, necessary to release all security interests and other rights of any Person (other than the Purchasers) in the Dealer Receivables, Contracts or Related Security previously granted by the Seller or AGCO.

(d) Evidence (including UCC search reports) that all Dealer Receivables and all proceeds thereof are free and clear of liens, security interests, claims and encumbrances other than those held by the Purchasers.

(e) An executed copy of the Servicing Agreement, AGCO Finance Purchase Agreement, Intercreditor Agreement, fee letter, amendment to the Originator Sale Agreement and this Amendment from of the parties thereto and hereto.

(f) Favorable opinions of counsel for the Seller, AGCO and AGCO Finance as to such matters as the Agent or any Administrator may reasonably request, including, without limitation, opinions with respect to “true sale” and substantive consolidation.

(g) Payment of all fees required to be paid pursuant to any fee letter entered into in connection with the transactions contemplated by this Amendment.

(h) Good standing certificates with respect to the Seller, AGCO and AGCO Finance from the Secretary of State of the State of their respective jurisdictions of organization and such other jurisdictions as the Agent or any Administrator may reasonably request.

(i) Copies of all consents, waivers and amendments to existing credit facilities that are necessary in connection with this Amendment and the transactions contemplated hereby.

(j) Certificates of Authorized Officers of the Seller and AGCO to the effect as follows, and the following shall be true and correct as at such time: (i) the representations and warranties made herein and in the Receivables Purchase Agreement as amended by this Amendment (the “Amended Receivables Purchase Agreement”) are true and correct as of the Effective Date, as if made on such date; (ii) the Seller and the Servicer are each in compliance with all of their obligations under the Amended Receivables Purchase Agreement; and (iii) no Early Amortization Event, Potential Amortization Event, Servicer Default or event which, with the passage of time or the giving of notice, or both, would constitute an Servicer Default has occurred and is continuing, or would result from the transactions contemplated by this Amendment, the

AGCO Finance Purchase Agreement, the Servicing Agreement or the Intercreditor Agreement.

(k) Such other documents, approvals or opinions as the Agent or an Administrator may reasonably request.

SECTION 3. Representations and Warranties.

3.01. The Seller hereby represents and warrants to the Agent, the Administrators and the Purchasers on the date hereof and on the Effective Date that:

(a) The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, is duly qualified to do business and is in good standing as a foreign corporation, and has and holds all corporate power and all governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is conducted.

(b) The execution and delivery by the Seller of this Amendment and the AGCO Finance Purchase Agreement, and the performance of its obligations hereunder and under the Amended Receivables Purchase Agreement and the AGCO Finance Purchase Agreement, are within its corporate powers and authority and have been duly authorized by all necessary corporate action on its part. This Amendment and the AGCO Finance Purchase Agreement have been duly executed and delivered by the Seller.

(c) The execution and delivery by the Seller of this Amendment and the AGCO Finance Purchase Agreement, and the performance of its obligations hereunder and under the Amended Receivables Purchase Agreement and the AGCO Finance Purchase Agreement, do not contravene or violate (i) its certificate of incorporation or by-laws, (ii) any law, rule or regulation applicable to it, (iii) any restrictions under any agreement, contract or instrument to which it is a party or by which it or any of its property is bound or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property.

(d) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by the Seller of this Amendment, the Amended Receivables Purchase Agreement or the AGCO Finance Purchase Agreement, and the performance of its obligations hereunder or under the Amended Receivables Purchase Agreement or the AGCO Finance Purchase Agreement.

(e) There are no actions, suits or proceedings pending, or to the best of the Seller’s knowledge, threatened, against or affecting the Seller, or any of its properties, in or before any court, arbitrator or other body which would have a Material Adverse Effect. The Seller is not in default with respect to any order of any court, arbitrator or governmental body.

(f) This Amendment constitutes and, as of the Effective Date, the Amended Receivables Purchase Agreement and the AGCO Finance Purchase Agreement will constitute, the legal, valid and binding obligations of the Seller enforceable against the Seller in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

3.02. AGCO hereby represents and warrants to the Agent, the Administrators and the Purchasers on the date hereof and on the Effective Date that:

(g) AGCO is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, is duly qualified to do business and is in good standing as a foreign corporation, and has and holds all corporate power and all governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is conducted.

(h) The execution and delivery by AGCO of this Amendment, the AGCO Finance Purchase Agreement, the Servicing Agreement and the Intercreditor Agreement, and the performance of its obligations hereunder and under the Amended Receivables Purchase Agreement, the AGCO Finance Purchase Agreement, the Servicing Agreement and the Intercreditor Agreement, are within its corporate powers and authority and have been duly authorized by all necessary corporate action on its part. This Amendment, the AGCO Finance Purchase Agreement, the Servicing Agreement and the Intercreditor Agreement have been duly executed and delivered by AGCO.

(i) The execution and delivery by AGCO of this Amendment, the AGCO Finance Purchase Agreement, the Servicing Agreement and the Intercreditor Agreement, and the performance of its obligations hereunder and under the Amended Receivables Purchase Agreement, the AGCO Finance Purchase Agreement, the Servicing Agreement and the Intercreditor Agreement, do not contravene or violate (i) its certificate of incorporation or by-laws, (ii) any law, rule or regulation applicable to it, (iii) any restrictions under any agreement, contract or instrument to which it is a party or by which it or any of its property is bound or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property.

(j) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by AGCO of this Amendment, the AGCO Finance Purchase Agreement, the Servicing Agreement or the Intercreditor Agreement, and the performance of its obligations hereunder or under the Amended Receivables Purchase Agreement, the AGCO Finance Purchase Agreement, the Servicing Agreement or the Intercreditor Agreement.

(k) There are no actions, suits or proceedings pending, or to the best of AGCO's knowledge, threatened, against or affecting AGCO, or any of its properties, in or before any court, arbitrator or other body which would have a Material Adverse Effect.

AGCO is not in default with respect to any order of any court, arbitrator or governmental body.

(l) This Amendment constitutes and, as of the Effective Date, the Amended Receivables Purchase Agreement, the AGCO Finance Purchase Agreement, the Servicing Agreement and the Intercreditor Agreement, will constitute, the legal, valid and binding obligations of AGCO enforceable against AGCO in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

SECTION 4. Covenant. The parties hereto hereby agree that if, upon the receipt by the Administrators of the Monthly Report required to be delivered on the Reporting Date occurring six months after the Effective Date, any Administrator determines, in its sole discretion, that the Early Amortization Event in Section 9.01(h) of the Amended Receivables Purchase Agreement or the Credit Enhancement are no longer reasonable or protective as a result of the transactions contemplated by this Amendment, the Purchasers and the Seller shall negotiate in good faith to amend the provisions of Section 9.01(h) of the Amended Receivables Purchase Agreement or the definition "Credit Enhancement" in Section 1.01 of the Amended Receivables Purchase Agreement. The failure of the Purchasers and the Seller to agree to such amendment on the date which occurs thirty days after any Administrator or the Agent notifies the Seller that the Early Amortization Event in Section 9.01(h) of the Amended Receivables Purchase Agreement or the definition "Credit Enhancement" are no longer reasonable or protective as a result of the transactions contemplated by this Amendment shall constitute an Early Amortization Event under the Amended Receivables Purchase Agreement with the same force and effect as if set forth therein, and shall entitle the Purchasers, the Administrators and the Agent to exercise any and all remedies described in the Amended Receivables Purchase Agreement.

SECTION 5. Reference to and Effect on the Receivables Purchase Agreement.

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

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

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

SECTION 6. Costs and Expenses. The Seller shall pay to the Agent, each Administrator and each Purchaser on demand all reasonable costs and out-of-pocket expenses in connection with the preparation, execution, delivery and administration of this Amendment, the transactions contemplated hereby and the other documents to be delivered hereunder, including without limitation, (i) rating agency fees incurred by any Administrator or any Conduit Purchaser in connection with the transactions contemplated hereby, and (ii) reasonable fees and out-of-pocket expenses of legal counsel for the Agent, each Administrator and each Purchaser with respect thereto.

SECTION 7. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF NEW YORK.

SECTION 8. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of a signature page hereto by facsimile shall be deemed as effective as delivery of an original executed signature page hereto.

SECTION 9. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

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

AGCO FUNDING CORPORATION

By: ____________________________
Name:
Title:

AGCO CORPORATION

By: ____________________________
Name:
Title:

BANK OF TOKYO-MITSUBISHI TRUST COMPANY, as an Administrator

By: ____________________________
Name:
Title:

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

By: ____________________________
Name:
Title:

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

By: ____________________________
Name:
Title:

By: ____________________________
Name:
Title:

NIEUW AMSTERDAM RECEIVABLES CORPORATION,
as a Conduit Purchaser

By: ______________________________
Name:
Title:

Exhibit G

FORM OF DEALER AGREEMENT
(with respect to AGCO Receivables)

Exhibit H

FORM OF DEALER AGREEMENT
(with respect to Challenger Receivables)

EXECUTION COPY

AMENDMENT NO. 4

DATED AS OF DECEMBER 12, 2008

TO

RECEIVABLES PURCHASE AGREEMENT

DATED AS OF JANUARY 27, 2000

THIS AMENDMENT NO. 4, dated as of December 12, 2008 (this "Amendment"), is entered into by and among AGCO FUNDING CORPORATION, as seller (the "Seller"), AGCO CORPORATION ("AGCO"), as servicer (in such capacity, the "Servicer"), NIEUW AMSTERDAM RECEIVABLES CORPORATION ("Nieuw Amsterdam"), as a Conduit Purchaser, GOTHAM FUNDING CORPORATION ("Gotham"), as a Committed Purchaser and a Conduit Purchaser, THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH, as successor to Bank of Tokyo-Mitsubishi Trust Company ("BTMU"), as an Administrator, and COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK INTERNATIONAL", NEW YORK BRANCH ("Rabobank International"), as a Committed Purchaser, as an Administrator and as the Agent.

PRELIMINARY STATEMENTS

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

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

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

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

1.01. Section 1.01 is hereby amended by deleting the definitions of "Cash Control Event", "Commitment Termination Date", "Credit Enhancement" and "Dilution" and substituting, in lieu thereof, respectively, the following:

"Cash Control Event" means the occurrence of either of the following events: (i) the Servicer's long-term corporate family debt rating or long-term local issuer credit

rating, as the case may be, shall be Ba2 or lower by Moody's or BB or lower by S&P or either such rating is withdrawn or (ii) any Early Amortization Event.

"Commitment Termination Date" means December 11, 2009 or such later date as may be agreed in writing from time to time by the Seller, each Committed Purchaser, each Administrator and the Agent.

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

Moody's	S&P	Percentage
Ba2 or higher	BB or higher	14%
Ba3	BB-	17%
Bl	B+	25%
B2 or lower or rating withdrawn	B or lower or rating withdrawn	35%

Notwithstanding anything contained herein to the contrary, if the average of the Payment Rates for the six most recently ended calendar months shall be less than 14.50% and the long-term corporate family debt rating or long-term local issuer credit rating, as the case may be, of AGCO as of such date (determined based on the lower of the ratings assigned by Moody's or S&P) is Ba2 or higher by Moody's and BB or higher by S&P, the percentage determined by clause (ii) above shall be deemed to be 15%.

"Dilution" means, at any time, the amount of any reduction in the outstanding balance of an AGCO Receivable as a result of any setoff, dispute, discount (including volume discount), rebate (including volume rebate), return, netting, adjustment or any other reason other than (i) payment in cash of such outstanding balance by the Obligor, (ii) credit for a trade-in of used equipment or a return of equipment, to the extent such credit simultaneously gave rise to a new AGCO Receivable in respect of such equipment having an original Outstanding Balance equal to or greater than the amount of such reduction or (iii) such AGCO Receivable having become a Charged-Off Receivable.

1.02. The definition of Termination Date in Section 1.01 is hereby amended by deleting the date "April 8, 2009" contained therein and substituting, in lieu thereof, the date "December 12, 2013".

1.03. The beginning of Section 3.07(b) is hereby amended to read in its entirety as follows: "If at any time the Originator's long-term corporate family debt rating or long-term local issuer credit rating, as the case may be, shall not be at least Ba3 by Moody's and at least BB+ by S&P".

1.04. Clause (ii) of the first sentence of Section 8.05 is hereby amended by deleting the words "if the long-term senior unsecured debt rating of AGCO is lower than Ba3 or

withdrawn by Moody's or lower than BB- or withdrawn by S&P" and substituting, in lieu thereof, "if the long-term corporate family debt rating or long-term local issuer credit rating, as the case may be, of AGCO is lower than Ba2 or withdrawn by Moody's or lower than BB or withdrawn by S&P".

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

(g) The long-term corporate family debt rating or long-term local issuer credit rating, as the case may be, of AGCO is below Ba2 by Moody's or BB by S&P or either such rating is withdrawn.

1.06. Paragraph (h) of Section 9.01 is hereby amended to read in its entirety as follows:

(h) As at the end of any calendar month, (i) the Variable Dilution Ratio shall exceed 5.0%, (ii) the average of the Challenger Planned Dilution Ratios for the three most recently ended calendar months shall exceed 20.0%, (iii) the average of the Planned Dilution Ratios for the three most recently ended calendar months shall exceed 20.0%, (iv) the average of the Payment Rates for the three most recently ended calendar months shall be less than (x) if such three calendar month period shall end with the month of January, February, March or April, 11.75% and (y) in all other cases, 14.25% or (v) the average Default Ratio for the three most recently ended calendar months (including the calendar month ending on such date) shall exceed 3.0%;

SECTION 2. Conditions Precedent. This Amendment shall become effective as of the date (the "Effective Date") on which (i) the Agent and the Administrators shall have received (a) a copy of this Amendment duly executed by each of the parties hereto, (b) a copy of the First Amendment to the Amended and Restated Fee Letter dated as of the date hereof duly executed by each of the parties thereto and (c) a copy of Amendment No. 1 to the AGCO Finance Purchase Agreement dated as of the date hereof duly executed by each of the parties thereto and (ii) payment has been made of all fees required to be paid pursuant to any fee letters entered into in connection with the transactions contemplated by this Amendment.

SECTION 3. Covenants. Representations and Warranties.

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

3.02. Each of the Seller and the Servicer hereby represents and warrants that (i) this Amendment constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and (ii) upon the effectiveness of this Amendment,

no event or circumstance has occurred and is continuing which constitutes an Early Amortization Event or which, with the giving of notice of the lapse of time, or both, would constitute an Early Amortization Event.

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

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

4.02. Except as specifically amended hereby and the other amendments listed in Section 2, the Receivables Purchase Agreement, the other Transaction Documents and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

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

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

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

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

AGCO FUNDING CORPORATION

By: /s/ David Williams
Name: DAVID WILLIAMS
Title: VP AND TREASURER

AGCO CORPORATION

By: /S/ David Williams
Name: DAVID WILLIAMS
Title: VP AND TREASURER

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. NEW YORK BRANCH, as an Administrator

By: /s/ Aditya Reddy
Name: Aditya Reddy
Title: VP and Manager

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

By: /s/ Louise E. Colby
Name: Louise E. Colby
Title: Vice President

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

By: /s/ Maria (Jie) Wu
Name: Maria (Jie) Wu
Title: Vice President

By: /s/ Keith W. Smite
Name: Keith W. Smite
Title: Vice President

NIEUW AMSTERDAM RECEIVABLES CORPORATION, as a Conduit Purchaser

By: /s/ Damian A. Perez
Name: Damian A. Perez
Title: Vice President

Exhibit 10.22

AMENDMENT NO. 2

Dated as of July 26, 2004

to

RECEIVABLES PURCHASE AGREEMENT

Dated as of June 26, 2001

THIS AMENDMENT NO. 2, dated as of July 26, 2004 (this “Amendment”), is entered into by and among AGCO CANADA, LTD., as seller (the “Seller”), AGCO CORPORATION (“AGCO”), as servicer (in such capacity, the “Servicer”), NIEUW AMSTERDAM RECEIVABLES CORPORATION (“Nieuw Amsterdam”) and COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., “RABOBANK INTERNATIONAL”, NEW YORK BRANCH (“Rabobank International”), as an Administrator and as the Agent and Custodian.

PRELIMINARY STATEMENTS

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

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

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

SECTION 1. Amendment. Subject to the satisfaction of the conditions precedent set forth in Section 2 below, clauses (iv) and (v) of Section 10.01(h) of the Receivables Purchase Agreement are hereby amended effective as of June 30, 2004 to read in their entirety as follows:

> (iv) (1) at any time from and including June 30, 2004 to but excluding January 1, 2005, the average of the Default Ratios for the three most recently ended calendar months shall exceed 6% or (2) at any time on or after January 1, 2005, the average of the Default Ratios for the three most recently ended calendar months shall exceed 3%, or (v) (1) at any time from and including June 30, 2004 to but excluding January 1, 2005,

the Default Ratio shall exceed 7.5% or (2) at any time on or after January 1, 2005, the Default Ratio shall exceed 5%;

SECTION 2. Condition Precedent. This Amendment shall become effective as of the date (the "Effective Date") on which Rabobank International shall have received a copy of this Amendment duly executed by each of the parties hereto.

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

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

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

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

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

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

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

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

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

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

AGCO CANADA, LTD

By: /s/ David K Williams
Name: David K Williams
Title: President

AGCO CORPORATION

By: /s/ David K Williams
Name: David K Williams
Title: VP-Treasurer

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

By: /s/ James Han
Name: James Han
Title: Vice President

By: /s/ Brett Delfino
Name: Brett Delfino
Title: Executive Director

NIEUW AMSTERDAM RECEIVABLES CORPORATION, as a Purchaser

By: /s/ Matthew Dorr
Name: Matthew Dorr
Title: Vice President

AMENDMENT NO. 3

Dated as of February 16, 2005

to

RECEIVABLES PURCHASE AGREEMENT

Dated as of June 26, 2001

THIS AMENDMENT NO. 3, dated as of February 16, 2005 (this “Amendment”), is entered into by and among AGCO CANADA, LTD., as seller (the “Seller”), AGCO CORPORATION (“AGCO”), as servicer (in such capacity, the “Servicer”), NIEUW AMSTERDAM RECEIVABLES CORPORATION (“Nieuw Amsterdam”) and COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., “RABOBANK INTERNATIONAL”, NEW YORK BRANCH (“Rabobank International”), as an Administrator and as the Agent and Custodian.

PRELIMINARY STATEMENTS

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

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

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

SECTION 1. Amendment. Subject to the satisfaction of the conditions precedent set forth in Section 2 below, clauses (iv) and (v) of Section 10.01(h) of the Receivables Purchase Agreement are hereby amended to read in their entirety as follows:

> “(iv) at any time from and including January 1, 2005 to but excluding May 1, 2005, the average of the Default Ratios for the three most recently ended calendar months shall exceed 6%, or (v) at any time from and including January 1, 2005 to but excluding May 1, 2005, the Default Ratio shall exceed 7.5%;”

SECTION 2. Condition Precedent. This Amendment shall become effective as of the date (the "Effective Date") on which Rabobank International shall have received a copy of this Amendment duly executed by each of the parties hereto.

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

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

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

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

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

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

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

SECTION 5. Costs and Expenses. The Seller shall pay to the Agent, the Administrator and the Purchaser on demand all reasonable costs and out-of-pocket expenses in connection with the preparation, execution, delivery and administration of

this Amendment, the transactions contemplated hereby and the other documents to be delivered hereunder, including without limitation, (i) rating agency fees incurred by the Administrator or the Conduit Purchaser in connection with the transactions contemplated hereby, and (ii) reasonable fees and out-of-pocket expenses of legal counsel for the Agent, the Administrator and the Purchaser with respect thereto.

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

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

AGCO CANADA, LTD

By: /s/ David Williams
Name: David Williams
Title: VP-Treasurer

AGCO CORPORATION

By: /s/ David Williams
Name: David Williams
Title: VP-Treasurer

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

By: /s/ Brett Defind
Name: Brett Defind
Title: Executive Director

By: /s/ Jacquellne L. Arambulo
Name: Jacquellne L. Arambulo
Title: Vice President

NIEUW AMSTERDAM RECEIVABLES CORPORATION, as a Purchaser

By: /s/ Matthew Dorr
Name: Matthew Dorr
Title: Vice President

AMENDMENT NO. 4

Dated as of May 2, 2005

to

RECEIVABLES PURCHASE AGREEMENT

Dated as of June 26, 2001

THIS AMENDMENT NO. 4, dated as of May 2, 2005 (this "Amendment"), is entered into by and among AGCO CANADA, LTD., as seller (the "Seller"), AGCO CORPORATION ("AGCO"), as servicer (in such capacity, the "Servicer"), NIEUW AMSTERDAM RECEIVABLES CORPORATION ("Nieuw Amsterdam") and COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK INTERNATIONAL", NEW YORK BRANCH ("Rabobank International"), as an Administrator and as the Agent and Custodian.

PRELIMINARY STATEMENTS

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

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

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

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

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

"AGCO Finance" means AGCO Finance Canada, Ltd., a Saskatchewan corporation.

"AGCO Finance Purchase Agreement" means the Receivables Purchase Agreement, dated as of May 2, 2005, among the Purchasers, the

Seller, AGCO and AGCO Finance, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"AGCO Receivable" means a Dealer Receivable arising in connection with the sale of whole goods inventory comprised of a product line other than the Challenger product line.

"AGCO Variable Dilution Ratio" means, with respect to any calendar month, a percentage equal to the Dilution Ratio for such calendar month minus the Planned Dilution Ratio for such calendar month; provided, that if the result is less than zero, the AGCO Variable Dilution Ratio shall be zero.

"Challenger Dilution" means, at any time, the amount of any reduction in the outstanding balance of a Challenger Receivable as a result of any setoff, dispute, discount, rebate, return, netting, adjustment or any other reason other than (i) payment in cash of such outstanding balance by the Obligor, (ii) credit for a trade-in of used equipment or a return of equipment, to the extent such credit simultaneously gave rise to a new Challenger Receivable in respect of such equipment having an original Outstanding Balance equal to or greater than the amount of such reduction or (iii) such Challenger Receivable having become a Charged-Off Receivable.

"Challenger Dilution Ratio" means, at any time, the percentage equivalent of a fraction, the numerator of which is equal to the aggregate amount of Challenger Dilutions which occurred during the calendar month then most recently ended, and the denominator of which is equal to Collections received with respect to of Challenger Receivables during such calendar month. For purposes of this definition, Challenger Dilutions and Collections shall be deemed to include amounts related to the indebtedness and other obligations (other than a sale of individual parts) arising in connection with the sale by the Seller of whole goods inventory comprised of the Challenger product line to a United States Dealer pursuant to a Dealer Agreement to the extent serviced by the Servicer, notwithstanding the fact that such indebtedness and other obligations have not been sold, transferred or otherwise conveyed to the Seller.

"Challenger Planned Dilution" means, with respect to any calendar month, the aggregate amount of reserves accrued on the accounting books of the Seller with respect to program discounts expected to be taken by the Dealers with respect to Challenger Receivables at the time of settlement, as calculated by the Servicer on the last day of the immediately preceding calendar month in accordance with the accounting practices of the Seller as in effect on the date hereof.

"Challenger Planned Dilution Ratio" means, with respect to any calendar month, the greater of (a) 10% and (b) the percentage equivalent of a fraction, the numerator of which is equal to the aggregate Challenger Planned Dilution for such calendar month, and the denominator of which is equal to the aggregate Outstanding Balance of the Challenger Receivables as of the last day of the immediately preceding calendar month.

"Challenger Receivable" means a Dealer Receivable arising in connection with the sale of whole goods inventory comprised of the Challenger product line.

"Challenger Variable Dilution Ratio" means, with respect to any calendar month, a percentage equal to the Challenger Dilution Ratio for such calendar month minus the Challenger Planned Dilution Ratio for such calendar month; provided, that if the result is less than zero, the Challenger Variable Dilution Ratio shall be zero.

"Collection Proceeding" means, with respect to any Obligor, any legal collection, replevin or injunctive action initiated or commenced by or at the request of AGCO Finance taken to enforce any obligation owed by such Obligor to AGCO Finance on account of a Conveyed Receivable.

"Conveyance Notice" means each notice delivered to the Agent and the Seller by AGCO Finance or the Servicer with respect to the purchase by AGCO Finance of the Ownership Interest of the Purchasers and the Retained Interest in Dealer Receivables.

"Conveyance Price" means, with respect to a Conveyed Receivable, the aggregate purchase price paid by AGCO Finance to the Purchasers and the Seller for such Conveyed Receivable pursuant to the AGCO Finance Purchase Agreement.

"Conveyed Receivable" means a Dealer Receivable with respect to which the Ownership Interest of the Purchasers and the Retained Interest have been purchased by AGCO Finance in accordance with the provisions of the AGCO Finance Purchase Agreement.

"Intercreditor Agreement" means the Amended and Restated Intercreditor Agreement, dated as of May 2, 2005, among Rabobank, as Agent, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", New York Branch, as administrative agent under the "Servicer Credit Facility" (as such term is defined in the Servicing Agreement), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", Canadian Branch, as Canadian administrative agent under the "Servicer Credit Facility" (as such term is defined in the Servicing Agreement), AGCO Finance and AGCO, in its capacity as

Servicer, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Purchase Termination Event" has the meaning specified in the AGCO Finance Purchase Agreement.

"Retained Interest" means, at any time, the Seller's undivided percentage ownership interest (computed as set forth below) in (i) each Dealer Receivable existing at such time, (ii) all Related Security with respect to each such Dealer Receivable, and (iii) all Collections with respect to, and other proceeds of, each such Dealer Receivable. Each such undivided percentage ownership interest shall equal, at any time, 100% minus the Ownership Interest at such time.

"Servicing Agreement" means the Servicing and Support Agreement, dated as of May 2, 2005, between AGCO and AGCO Finance, as the same may be amended, restated, supplemented or otherwise modified from time to time.

1.02. The definition of "Adverse Claim" in Section 1.01 is hereby amended to read in its entirety as follows:

"Adverse Claim" means a lien, security interest, charge, encumbrance, or other right or claim in, of or on any Person's assets or properties in favor of any other Person; provided that the right of AGCO Finance to Purchase any Dealer Receivable under the AGCO Finance Purchase Agreement shall not be construed as an Adverse Claim hereunder.

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

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

1.5 * (3 Month LIBOR + 3.0%) * DSO/365

where

3 Month LIBOR	=	LIBOR for an assumed Settlement Period of three months commencing on the immediately preceding Payment Date.
DSO	=	The product of (i) 270, times (ii) a fraction, the numerator of which is equal to the aggregate Outstanding Balance of all Dealer Receivables as of the last day of the calendar month most recently ended on

or prior to the date of determination, and the denominator of which is equal to the aggregate Outstanding Balance of all Dealer Receivables arising during the nine calendar month period then most recently ended on or prior to such date.

1.04. The definition "Collection Account" in Section 1.01 is hereby amended to read in its entirety as follows:

"Collection Account" means the account maintained in the name of the Seller at the Collection Account Bank having the account no. 0002-1400-281, or any new collection account established pursuant to Section 4.07.

1.05. The definition "Collection Account Bank" in Section 1.01 is hereby amended to read in its entirety as follows:

"Collection Account Bank" means Bank of Montreal or, if the Seller establishes any new Collection Account pursuant to Section 4.07, the Eligible Bank at which such account is established.

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

"Collections" means, with respect to any Dealer Receivable, all cash collections and other cash proceeds in respect of such Dealer Receivable, including, without limitation, all Sales Taxes or other related amounts accruing in respect thereof, all cash proceeds of Related Security with respect to such Dealer Receivable, all Deemed Collections with respect to such Dealer Receivable, any Conveyance Price paid in immediately available funds with respect to such Dealer Receivables and any other amounts which are stated herein to be applied as Collections, but for greater certainty, not including any collections of Finance Charges. Without limiting the generality of the foregoing, it is understood and agreed that Collections shall include all amounts received (including insurance proceeds, if any) with respect to Dealer Receivables which have previously become Defaulted Receivables or Charged-Off Receivables.

1.07. The definition "Dealer Agreement" in Section 1.01 is hereby amended to read in its entirety as follows:

"Dealer Agreement" means an agreement between the Seller and another Person that has agreed to act as a dealer for equipment manufactured or distributed by the Seller including, without limitation, any "Dealer Sales and Service Agreement" in substantially the form attached hereto as Exhibit F or any substantially similar agreement, howsoever denominated or, with respect to a Challenger Receivable, any

“Challenger® Dealer Sales and Service Agreement” in substantially the form attached hereto as Exhibit J or any substantially similar agreement, howsoever denominated.

1.08. The definition “Dealer Receivable” in Section 1.01 is hereby amended to read in its entirety as follows:

“Dealer Receivable” means the indebtedness and other obligations owed to the Seller (without giving effect to any transfer or conveyance hereunder) or in which the Seller has a security interest or other interest, whether constituting an account, chattel paper, instrument or general intangible, arising in connection with the sale of farm machinery (other than a sale of individual parts) to a Canadian Dealer pursuant to a Dealer Agreement and includes, without limitation, the obligation to pay any Sale Taxes or similar charges with respect thereto, but excluding any obligation to pay Finance Charges. Indebtedness and other rights and obligations arising from any one transaction, including, without limitation, indebtedness and other rights and obligations represented by an individual invoice, shall constitute a Dealer Receivable separate from a Dealer Receivable consisting of the indebtedness and other rights and obligations arising from any other transaction. Notwithstanding any provision of this Agreement to the contrary, Dealer Receivables do not include Conveyed Receivables.

1.09. The definition “Dilution” in Section 1.01 is hereby amended to read in its entirety as follows:

“Dilution” means, at any time, the amount of any reduction in the outstanding balance of an AGCO Receivable as a result of any setoff, dispute, discount, rebate, return, netting, adjustment or any other reason other than (i) payment in cash of such outstanding balance by the Obligor, (ii) credit for a trade-in of used equipment or a return of equipment, to the extent such credit simultaneously gave rise to a new AGCO Receivable in respect of such equipment having an original Outstanding Balance equal to or greater than the amount of such reduction or (iii) such AGCO Receivable having become a Charged-Off Receivable.

1.10. The definition “Dilution Ratio” in Section 1.01 is hereby amended to read in its entirety as follows:

“Dilution Ratio” means, at any time, the percentage equivalent of a fraction, the numerator of which is equal to the aggregate amount of Dilutions which occurred during the calendar month then most recently ended, and the denominator of which is equal to Collections received with respect to of AGCO Receivables during such calendar month; provided, that for purposes of this definition, Dilutions shall be calculated with respect to AGCO Receivables and, without duplication, Conveyed

Receivables and Collections shall not include the Conveyance Price, if any, paid with respect to any Conveyed Receivable. For purposes of this definition, Dilutions and Collections shall be deemed to include amounts related to the indebtedness and other obligations (other than a sale of individual parts) arising in connection with the sale by the Seller of whole goods inventory (except to the extent comprised of the Challenger product line) to a United States Dealer pursuant to a Dealer Agreement to the extent serviced by the Servicer, notwithstanding the fact that such indebtedness and other obligations have not been sold, transferred or otherwise conveyed to the Seller.

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

(c) such Dealer Receivable arises under a Dealer Agreement substantially in the form attached hereto as Exhibit F (in the case AGCO Receivables) or Exhibit J (in the case of Challenger Receivables) (or, in either case, in such other form as shall have been approved in writing by the Agent, such approval not to be unreasonably withheld), which, together with such Dealer Receivable, is in full force and effect and has not been terminated and constitutes the legal, valid and binding obligation of the related Obligor enforceable against such Obligor in accordance with its terms subject to no offset, counterclaim or other defense or contingency; provided, that Challenger Receivables shall not exceed 25% of the aggregate Outstanding Balance of all Dealer Receivables;

(k) such Dealer Receivable is required to be paid in full, in the case of an AGCO Receivable, within twenty-four (24) months of the date such Dealer Receivable arises or, in the case of a Challenger Receivable (other than a Challenger Receivable arising in connection with the sale of hay-handling Equipment), within six (6) months of the date such Dealer Receivable arises;

(l) in the case of a Challenger Receivable arising in connection with the sale of hay-handling Equipment, such Challenger Receivable has a remaining term of six (6) months or less from such time;

1.12. The definition "Eligible Receivable" in Section 1.01 is hereby further amended by deleting the word "and" at the end of paragraph (s), relettering paragraph (t) as paragraph (v) and adding new paragraphs (t) and (u) as follows:

(t) such Dealer Receivable is not accruing interest on the Outstanding Balance thereof;

(u) the Obligor of such Dealer Receivable is not subject to any Collection Proceeding; and

1.13. The definition "Net Eligible Receivables Balance" in Section 1.01 is hereby amended to read in its entirety as follows:

"Net Eligible Receivables Balance" means, at any time, an amount equal to (a) the Eligible Receivables Balance minus (b) the sum of (1) the product of (x) the Planned Dilution Ratio, times (y) a fraction, the numerator of which is the aggregate Outstanding Balance the AGCO Receivables (other than AGCO Receivables that are accruing interest at that time and have not been purchased by AGCO Finance pursuant to the AGCO Finance Purchase Agreement) and the denominator of which is the aggregate Outstanding Balance of all Dealer Receivables (other than AGCO Receivables that are accruing interest at that time and have not been purchased by AGCO Finance pursuant to the AGCO Finance Purchase Agreement), times (z) the Eligible Receivables Balance, plus (2) the product of (x) the Challenger Planned Dilution Ratio, times (y) a fraction, the numerator of which is the aggregate Outstanding Balance the Challenger Receivables and the denominator of which is the aggregate Outstanding Balance of all Dealer Receivables (other than AGCO Receivables that are accruing interest at that time and have not been purchased by AGCO Finance pursuant to the AGCO Finance Purchase Agreement), times (z) the Eligible Receivables Balance.

1.14. The definition "New Equipment Receivables Percentage" in Section 1.01 is hereby deleted in its entirety.

1.15. The definition "Ownership Interest" in Section 1.01 is hereby amended by adding the following sentence to the end thereof:

The Purchasers shall not have an Ownership Interest in any Conveyed Receivable.

1.16. The definition "Payment Rate" in Section 1.01 is hereby amended to read in its entirety as follows:

"Payment Rate" means, at any time, the percentage equivalent of a fraction, the numerator of which is equal to the sum of (i) the original Outstanding Balance of all Dealer Receivables (other than AGCO Receivables with respect to which interest was accruing but were not purchased by AGCO Finance pursuant to the AGCO Purchase Agreement) for which the final payment of principal owing by the Obligor was made in the immediately preceding calendar month plus (ii) the Conveyance Price paid by AGCO Finance in the immediately preceding calendar month, and the denominator of which is equal to the aggregate Outstanding Balance of all Dealer Receivables (other than AGCO Receivables with respect to which interest was accruing but were not purchased by AGCO Finance pursuant to the AGCO Purchase Agreement) as of the last day of the second preceding calendar month.

1.17. The definition "Planned Dilution" in Section 1.01 is hereby amended to read in its entirety as follows:

"Planned Dilution" means, with respect to any calendar month, the aggregate amount of reserves accrued on the accounting books of the Seller with respect to program discounts expected to be taken by the Dealers with respect to AGCO Receivables at the time of settlement, as calculated by the Servicer on the last day of the immediately preceding calendar month in accordance with the accounting practices of the Seller as in effect on the date hereof.

1.18. The definition "Planned Dilution Amount" in Section 1.01 is hereby amended to read in its entirety as follows:

"Planned Dilution Amount" means an amount, determined as of the Business Day immediately preceding the Termination Date, equal to the sum of (a) the sum of (x) the Challenger Planned Dilution plus (y) the Planned Dilution, in each case, for the calendar month then most recently ended plus (b) the product of (i) the Variable Dilution Reserve Percentage times (ii) the Net Eligible Receivables Balance, in each case, as of such Business Day.

1.19. The definition "Planned Dilution Ratio" in Section 1.01 is hereby amended to read in its entirety as follows:

"Planned Dilution Ratio" means, with respect to any calendar month, the greater of (a) 10% and (b) the percentage equivalent of a fraction, the numerator of which is equal to the aggregate Planned Dilution for such calendar month, and the denominator of which is equal to the aggregate Outstanding Balance of the AGCO Receivables as of the last day of the immediately preceding calendar month.

1.20. The last proviso in the definition "Special Concentration Limit" in Section 1.01 is hereby amended to read in its entirety as follows:

provided further that in no event shall the Special Concentration Limit of any single Obligor be (i) reduced so that the Dealer Receivables owing from such single Obligor together with the Dealer Receivables owing from its Affiliates are required to be less than the Dealer Concentration Limit applicable to such Obligor or (ii)) reduced or increased without prior written notice to each rating agency rating the Commercial Paper Notes of the Purchasers.

1.21. The definition "Transaction Documents" in Section 1.01 is hereby amended to read in its entirety as follows:

"Transaction Documents" means, collectively, this Agreement, each Purchase Notice, each Joinder Agreement, each Deposit Account

Agreement, the Fee Letters, each Conveyance Notice, the Intercreditor Agreement and all other instruments, documents and agreements executed and delivered in connection herewith.

1.22. The definition "Variable Dilution Ratio" in Section 1.01 is hereby amended to read in its entirety as follows:

"Variable Dilution Ratio" means, with respect to any calendar month, the percentage equivalent of a fraction, the numerator of which is equal to the sum of (a) the product of (i) the AGCO Variable Dilution Ratio times (ii) aggregate Outstanding Balance of all AGCO Receivables as of the last day of such calendar month, other than AGCO Receivables with respect to which interest was accruing during such calendar month, plus (b) the product of (i) the Challenger Variable Dilution Ratio times (ii) aggregate Outstanding Balance of all Challenger Receivables as of the last day of such calendar month, and the denominator of which is equal to the aggregate Outstanding Balance of the Dealer Receivables (other than AGCO Receivables with respect to which interest was accruing) as of the last day of the immediately preceding calendar month.

1.23. The definition "Variable Dilution Reserve Percentage" in Section 1.01 is hereby amended to read in its entirety as follows:

"Variable Dilution Reserve Percentage" means, at any time, a percentage equal to the product of (i) 2.0 times, (ii) 1 minus the Loss Reserve Percentage, times (iii) the highest three month rolling average Variable Dilution Ratio during the twelve complete calendar month period then most recently ended.

1.24. The second sentence of Section 4.02 is hereby amended to read in its entirety as follows:

In the event any Dilution or Challenger Dilution occurs with respect to a Dealer Receivable, the Seller shall be deemed to have received a Collection of such Dealer Receivable in the amount of such Dilution or Challenger Dilution, as the case may be; provided that no such Collection shall be deemed to have been received by the Seller unless (i) if such Dilution or Challenger Dilution occurs on or prior to the Termination Date, the aggregate Ownership Interests exceed 100% after giving effect to such Dilution or Challenger Dilution, as the case may be, or (ii) if such Dilution or Challenger Dilution occurs after the Termination Date, the aggregate amount of Dilution and Challenger Dilution that has occurred with respect to the Dealer Receivables since the Termination Date exceeds the Planned Dilution Amount.

1.25. Section 4.07(a) is hereby amended to read in its entirety as follows:

(a) The Seller has established, and during the term of this Agreement shall maintain, the Collection Account. If, at any time, the bank at which the Collection Account is maintained ceases to be an Eligible Bank, the Seller shall within 30 days of acquiring knowledge that such bank is no longer an Eligible Bank establish a new Collection Account with an Eligible Bank reasonably satisfactory to the Agent and shall transfer any cash and any investments held in the old Collection Account to such new Collection Account. Prior to establishing any new Collection Account with an Eligible Bank, the Seller shall obtain from such Eligible Bank a fully executed Deposit Account Agreement covering such new Collection Account.

1.26. Section 6.01 is hereby amended by adding the following new subsection (v) at the end thereof:

(v) Payments from AGCO Finance. With respect to the Retained Interest in each Dealer Receivable transferred to AGCO Finance under the AGCO Finance Purchase Agreement, the Seller has received reasonably equivalent value from AGCO Finance in consideration therefor and such transfer was not made for or on account of an antecedent debt. No transfer by the Seller of any such Retained Interest under the AGCO Finance Purchase Agreement is or may be voidable under any section of the Insolvency Statutes (as such term is defined in Section 6.01(u)).

1.27. Section 8.01(a) is hereby amended by adding the following new paragraphs at the end thereof:

(viii) Purchase Termination Events. The occurrence of each Purchase Termination Event and each event which with the passage of time or the giving of notice, or both, would be a Purchase Termination Event, by a statement of an Authorized Officer of the Seller.

(ix) Amendments to the AGCO Finance Purchase Agreement. At least ten (10) days prior to the occurrence thereof, provide to the Agent a copy of any notice to be delivered by the Seller (i) canceling or terminating the AGCO Finance Purchase Agreement or (ii) giving any consent, directive or approval under the AGCO Finance Purchase Agreement except as required by applicable law.

(x) Termination Date. The occurrence of the “Termination Date” under the AGCO Finance Purchase Agreement.

1.28. The last sentence of Section 8.01(h) is hereby amended to read in its entirety as follows:

The Seller shall maintain exclusive ownership, dominion and control (subject to the terms of this Agreement) of each Lock-Box and Deposit Account and shall not grant the right to take dominion and control of any

Lock-Box or Deposit Account at a future time or upon the occurrence of a future event to any Person, except to the Agent as contemplated by this Agreement and, subject to the Intercreditor Agreement, to AGCO Finance as contemplated by the AGCO Finance Purchase Agreement).

1.29. Sections 8.02(d) and (e) are hereby amended to read in their entirety as follows:

(d) Sales, Liens. The Seller shall not Transfer (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, or create or suffer to exist any Adverse Claim upon (including, without limitation, the filing of any financing statement) or with respect to, any Dealer Receivable, Related Security or Collections, or upon or with respect to any Contract under which any Dealer Receivable arises, or any Lock-Box or Deposit Account, or assign any right to receive income with respect thereto (other than, in each case, the creation of the interests (i) therein in favour of the Custodian, the Agent and the Purchasers provided for herein or (ii) in Conveyed Receivables and Related Security and Collections with respect to Conveyed Receivables in favor of AGCO Finance pursuant to the AGCO Finance Purchase Agreement), and the Seller shall defend the right, title and interest of the Custodian, the Agent and the Purchasers in, to and under any of the foregoing property, against all claims of third parties (other than any claim of AGCO Finance arising pursuant to the AGCO Finance Purchase Agreement) claiming through or under the Seller. The Seller shall not create or suffer to exist any Adverse Claim on any of its inventory, unless an intercreditor agreement in form and substance satisfactory to the Agent is in force between the Agent on behalf of the Purchasers and any other Person holding any such Adverse Claim.

(e) Merger. The Seller shall not merge or consolidate with or into, or convey, Transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions, and except as otherwise contemplated herein or in the AGCO Finance Purchase Agreement) all or any material part of its assets (whether now owned or hereafter acquired) to, or acquire all or any material part of the assets of, any Person.

1.30. Section 8.03(b) is hereby amended by adding the following new paragraphs at the end thereof:

(iv) Purchase Termination Events. The occurrence of each Purchase Termination Event and each event which with the passage of time or the giving of notice, or both, would be a Purchase Termination Event, by a statement of an Authorized Officer of the Servicer.

(v) Servicer Default. The occurrence of any “Servicer Event of Default” under the Servicing Agreement.

1.31. Section 9.02(f) is hereby amended to read in its entirety as follows:

(f) The Servicer shall apply Collections to Dealer Receivables as specified by the applicable Obligor or, if not so specified, shall take or cause to be taken such action as may be necessary to determine the Dealer Receivables to which Collections should apply. Any payment by an Obligor in respect of any Dealer Receivable that, after the Servicer's compliance with the obligations set forth in the immediately preceding sentence, is not applied to a specific Dealer Receivable shall, subject to the terms of the Intercreditor Agreement and except as otherwise required by contract or law and unless otherwise instructed by the Agent, be applied in accordance with the methodology set out in for the application of such payments in the Credit and Collection Policy.

1.32. Paragraph (f) of Section 9.07 is hereby amended to read in its entirety as follows:

(f) The Custodian ceases to hold the Pool Assets as agent and bailee for the Seller and the Purchasers or the Agent for the benefit of the Purchasers shall cease to have a valid and perfected first priority ownership interest in the Dealer Receivables, the Related Security and the Collections with respect thereto and a valid and perfected security interest in the Deposit Accounts;

1.33. Section 9.07 is hereby amended by adding the word "or" at the end of paragraph (j) and adding a new paragraph (k) as follows:

(k) The Servicer shall be replaced as "Servicer" under the Servicing Agreement;

1.34. Paragraph (f) of Section 10.01 is hereby amended to read in its entirety as follows:

(f) The Custodian ceases to hold the Pool Assets as agent and bailee for the Seller and the Purchasers or the Agent for the benefit of the Purchasers shall cease to have a valid and perfected first priority ownership interest in the Dealer Receivables, the Related Security and the Collections with respect thereto and a valid and perfected security interest in the Deposit Accounts;

1.35. Paragraph (h) of Section 10.01 is hereby amended to read in its entirety as follows:

(h) As at the end of any calendar month, (i) the Variable Dilution Ratio shall exceed 5.0%, (ii) the average of the Challenger Planned Dilution Ratios for the three most recently ended calendar months

shall exceed 20.0%, (iii) the average of the Planned Dilution Ratios for the three most recently ended calendar months shall exceed 20.0%, (iv) the average of the Payment Rates for the three most recently ended calendar months shall be less than (x) if such three calendar month period shall end with the month of January, February, March or April, 7% and (y) in all other cases, 13%, (v) the average Default Ratio for the three most recently ended calendar months shall exceed 3.0% or (vi) the Default Ratio shall exceed 5%;

1.36. Section 10.01 is hereby amended by deleting the word "or" at the end of paragraph (k), deleting the period at the end of paragraph (l) and substituting in replacement thereof "; or" and adding a new paragraph (m) as follows:

(m) AGCO Finance shall have initiated or commenced any legal proceeding with respect to collection, replevin, injunctive or other similar action to enforce any obligation owed by the Seller under this Agreement.

1.37. Paragraph (x) of Section 11.01(a) is hereby amended in its entirety to read as follows:

(x) any failure of the Seller to have had (but for the transactions contemplated hereby or by the AGCO Finance Purchase Agreement) legal and equitable title to, and ownership of any Dealer Receivable and the Related Security and Collections with respect thereto, free and clear of any Adverse Claim; or any failure of the Seller to have a first priority perfected security (or equivalent) interest in the Equipment the sale of which gave rise to any AGCO Receivable;

1.38. Section 11.01(a) is hereby amended deleting the word "or" at the end of paragraph (xv), deleting the period at the end of paragraph (xvi) and substituting in replacement thereof a semi-colon and by adding the following new paragraphs at the end thereof:

(xvii) the purchase by AGCO Finance of Ownership Interests of the Purchasers or the Retained Interest in Dealer Receivables as contemplated by the AGCO Finance Purchase Agreement; or

(xviii) the AGCO Finance Purchase Agreement or the Intercreditor Agreement.

1.39. Section 11.01(b) is hereby amended deleting the word "or" at the end of paragraph (viii), deleting the period at the end of paragraph (ix) and substituting in replacement thereof a semi-colon and by adding the following new paragraphs at the end thereof:

(x) the Servicing Agreement; or

(xi) any failure of AGCO Finance to give reasonably equivalent value to the Purchasers or the Seller under the AGCO Finance Purchase Agreement in consideration of the transfer by the Purchasers of the Ownership Interest of the Purchasers in any Dealer Receivables or by the Seller of the Retained Interest in any Dealer Receivable, any attempt by any Person to void any such transfer under statutory provisions or common law or equitable action, or any attempt by any Person to void any such transfer under statutory provisions or common law or equitable actions.

1.40. Paragraph (a) of Section 13.01 is hereby amended to read in its entirety as follows:

(a) Neither the Seller nor the Servicer nor any Purchaser shall have the right to assign its rights or obligations under this Agreement except to the extent otherwise provided herein. Subject to the compliance by the assignee of Section 13.01(c), the Seller hereby agrees and consents to the complete or partial assignment by any Purchaser of all or any portion of its rights under, interest in, title to and obligations under this Agreement to (i) any member of its Related Group or any Conduit Funding Source and (ii) any other Person approved by the Seller (such approval not to be unreasonably withheld), and upon such assignment, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such assignment, have the rights and obligations of a Purchaser hereunder and (y) the Purchaser assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such assignment, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an assignment covering all or the remaining portion of an assigning Purchaser's rights and obligations under this Agreement, such Purchaser shall cease to be a party hereto).

1.41. Section 13.01 is hereby amended by adding a new paragraph (c) as follows:

(c) No assignment by any Purchaser hereunder shall be effective unless and until the assignee thereof shall have become a signatory to the AGCO Finance Purchase Agreement as a "Securitization Seller" thereunder.

1.42. Section 14.15(b) is hereby amended to read in its entirety as follows:

(b) This Agreement shall constitute a security agreement under the UCC with respect to the Deposit Accounts and, to that end, the Seller hereby grants to the Agent for the ratable benefit of the Purchasers, in order to secure the payment of all present and future indebtedness and

obligations of the Seller to the Purchasers under this Agreement outstanding from time to time, a valid security interest in all of the Seller's right, title and interest in, to and under each Deposit Account, and all amounts credited thereto from time to time with respect to Dealer Receivables.

1.43. The Table of Contents is hereby amended by deleting the reference to Exhibit F and substituting in replacement thereof the following:

Exhibit F	Form of Dealer Agreement (other than with respect to Challenger Dealer Receivables)

1.44. The Table of Contents is hereby amended by adding a reference to a new Exhibit J as follows:

Exhibit J	Form of Dealer Agreement (with respect to Challenger Dealer Receivables)

1.45. Exhibit F is hereby amended in its entirety as set forth in Exhibit A hereto, and a new Exhibit J is hereby added as set forth in Exhibit B hereto.

SECTION 2. Condition Precedent. This Amendment shall become effective on the date (the "Effective Date") on which the Agent and the Administrators shall have received the following, each (unless otherwise indicated) dated such date and in form and substance satisfactory to the Agent and the Administrators:

(a) Certificates of the Secretary or Assistant Secretary of the Seller, AGCO and AGCO Finance certifying the names and true signatures of their respective officers authorized to sign this Amendment, the AGCO Finance Purchase Agreement, the Servicing Agreement, the Intercreditor Agreement and the other documents to be delivered by them hereunder or thereunder or in connection herewith or therewith, evidence of authorization of the transactions contemplated hereby and thereby, the articles of incorporation (including an amendment to the articles of incorporation of the Seller permitting the transactions contemplated by the AGCO Finance Purchase Agreement) or formation (attached and appropriately certified by the Secretary of State of the Seller's, AGCO's and AGCO Finance's jurisdiction of incorporation or formation) and the by-laws and all amendments thereto of the Seller and AGCO.

(b) Amendments to registration statements previously filed in all jurisdictions that the Agent or the Administrators may deem necessary or desirable in order to preserve, perfect and protect the Purchasers' ownership interest in the Ownership Interests Transferred under the Receivables Purchase Agreement as amended by this Amendment.

(c) Executed copies of all discharges, releases or subordination agreements, if any, which the Agent requests with respect to registrations or Adverse Claims of any Person in any Pool Assets, together with copies of the relevant financing change statements or other discharge or release statements with the registration

particulars stamped thereon, and copies of any estoppel letters which the Agent shall reasonably request to confirm that any registration made in favour of any Person, does not and will not be relied upon to perfect or protect an adverse claim in any Pool Assets

(d) Copies of search reports of all relevant searches conducted against the Seller and its predecessor names in Ontario, Quebec and Saskatchewan.

(e) An executed copy of the Servicing Agreement, AGCO Finance Purchase Agreement, Intercreditor Agreement, fee letter and this Amendment from of the parties thereto and hereto.

(f) Favorable opinions of counsel for the Seller, AGCO and AGCO Finance as to such matters as the Agent or any Administrator may reasonably request, including, without limitation, opinions with respect to "true sale" and substantive consolidation.

(g) Payment of all fees required to be paid pursuant to any fee letter entered into in connection with the transactions contemplated by this Amendment.

(h) Certificates of Status (or of Compliance) of the Seller for the jurisdiction of its chief executive office and each other jurisdiction where it conducts business ; and good standing certificates with respect to AGCO and AGCO Finance from the Secretary of State of the State of their respective jurisdictions of organization and such other jurisdictions as the Agent or any Administrator may reasonably request.

(i) Copies of all consents, waivers and amendments to existing credit facilities that are necessary in connection with this Amendment and the transactions contemplated hereby.

(j) Certificates of Authorized Officers of the Seller and AGCO to the effect as follows, and the following shall be true and correct as at such time: (i) the representations and warranties made herein and in the Receivables Purchase Agreement as amended by this Amendment (the "Amended Receivables Purchase Agreement") are true and correct as of the Effective Date, as if made on such date; (ii) the Seller and the Servicer are each in compliance with all of their obligations under the Amended Receivables Purchase Agreement; and (iii) no Early Amortization Event, Potential Amortization Event, Servicer Default or event which, with the passage of time or the giving of notice, or both, would constitute an Servicer Default has occurred and is continuing, or would result from the transactions contemplated by this Amendment, the AGCO Finance Purchase Agreement, the Servicing Agreement or the Intercreditor Agreement.

(k) Such other documents, approvals or opinions as the Agent or an Administrator may reasonably request.

SECTION 3. Representations and Warranties.

3.01. The Seller hereby represents and warrants to the Agent, the Administrators and the Purchasers on the date hereof and on the Effective Date that:

(a) The Seller is a corporation duly amalgamated, validly existing and in good standing under the laws of Saskatchewan, is duly qualified to do business and is in good standing as a foreign corporation, and has and holds all corporate power and all governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is conducted.

(b) The execution and delivery by the Seller of this Amendment and the AGCO Finance Purchase Agreement, and the performance of its obligations hereunder and under the Amended Receivables Purchase Agreement and the AGCO Finance Purchase Agreement, are within its corporate powers and authority and have been duly authorized by all necessary corporate action on its part. This Amendment and the AGCO Finance Purchase Agreement have been duly executed and delivered by the Seller.

(c) The execution and delivery by the Seller of this Amendment and the AGCO Finance Purchase Agreement, and the performance of its obligations hereunder and under the Amended Receivables Purchase Agreement and the AGCO Finance Purchase Agreement, do not contravene or violate (i) its certificate or articles of amalgamation or by-laws, (ii) any law, rule or regulation applicable to it, (iii) any restrictions under any agreement, contract or instrument to which it is a party or by which it or any of its property is bound or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property.

(d) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by the Seller of this Amendment, the Amended Receivables Purchase Agreement or the AGCO Finance Purchase Agreement, and the performance of its obligations hereunder or under the Amended Receivables Purchase Agreement or the AGCO Finance Purchase Agreement.

(e) There are no actions, suits or proceedings pending, or to the best of the Seller's knowledge, threatened, against or affecting the Seller, or any of its properties, in or before any court, arbitrator or other body which would have a Material Adverse Effect. The Seller is not in default with respect to any order of any court, arbitrator or governmental body.

(f) This Amendment constitutes and, as of the Effective Date, the Amended Receivables Purchase Agreement and the AGCO Finance Purchase Agreement will constitute, the legal, valid and binding obligations of the Seller enforceable against the Seller in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

3.02. AGCO hereby represents and warrants to the Agent, the Administrators and the Purchasers on the date hereof and on the Effective Date that:

(g) AGCO is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, is duly qualified to do business and is in good standing as a foreign corporation, and has and holds all corporate power and all governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is conducted.

(h) The execution and delivery by AGCO of this Amendment, the AGCO Finance Purchase Agreement, the Servicing Agreement and the Intercreditor Agreement, and the performance of its obligations hereunder and under the Amended Receivables Purchase Agreement, the AGCO Finance Purchase Agreement, the Servicing Agreement and the Intercreditor Agreement, are within its corporate powers and authority and have been duly authorized by all necessary corporate action on its part. This Amendment, the AGCO Finance Purchase Agreement, the Servicing Agreement and the Intercreditor Agreement have been duly executed and delivered by AGCO.

(i) The execution and delivery by AGCO of this Amendment, the AGCO Finance Purchase Agreement, the Servicing Agreement and the Intercreditor Agreement, and the performance of its obligations hereunder and under the Amended Receivables Purchase Agreement, the AGCO Finance Purchase Agreement, the Servicing Agreement and the Intercreditor Agreement, do not contravene or violate (i) its certificate of incorporation or by-laws, (ii) any law, rule or regulation applicable to it, (iii) any restrictions under any agreement, contract or instrument to which it is a party or by which it or any of its property is bound or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property.

(j) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by AGCO of this Amendment, the AGCO Finance Purchase Agreement, the Servicing Agreement or the Intercreditor Agreement, and the performance of its obligations hereunder or under the Amended Receivables Purchase Agreement, the AGCO Finance Purchase Agreement, the Servicing Agreement or the Intercreditor Agreement.

(k) There are no actions, suits or proceedings pending, or to the best of AGCO's knowledge, threatened, against or affecting AGCO, or any of its properties, in or before any court, arbitrator or other body which would have a Material Adverse Effect. AGCO is not in default with respect to any order of any court, arbitrator or governmental body.

(l) This Amendment constitutes and, as of the Effective Date, the Amended Receivables Purchase Agreement, the AGCO Finance Purchase Agreement, the Servicing Agreement and the Intercreditor Agreement, will constitute, the legal, valid and binding obligations of AGCO enforceable against AGCO in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy,

insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

SECTION 4. Covenant. The parties hereto hereby agree that if, upon the receipt by the Administrators of the Monthly Report required to be delivered on the Reporting Date occurring six months after the Effective Date, any Administrator determines, in its sole discretion, that the Early Amortization Event in Section 10.01(h) of the Amended Receivables Purchase Agreement or the Credit Enhancement are no longer reasonable or protective as a result of the transactions contemplated by this Amendment, the Purchasers and the Seller shall negotiate in good faith to amend the provisions of Section 10.01(h) of the Amended Receivables Purchase Agreement or the definition "Credit Enhancement" in Section 1.01 of the Amended Receivables Purchase Agreement. The failure of the Purchasers and the Seller to agree to such amendment on the date which occurs thirty days after any Administrator or the Agent notifies the Seller that the Early Amortization Event in Section 10.01(h) of the Amended Receivables Purchase Agreement or the definition "Credit Enhancement" are no longer reasonable or protective as a result of the transactions contemplated by this Amendment shall constitute an Early Amortization Event under the Amended Receivables Purchase Agreement with the same force and effect as if set forth therein, and shall entitle the Purchasers, the Administrators and the Agent to exercise any and all remedies described in the Amended Receivables Purchase Agreement.

SECTION 5. Reference to and Effect on the Receivables Purchase Agreement.

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

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

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

SECTION 6. Costs and Expenses. The Seller shall pay to the Agent, each Administrator and each Purchaser on demand all reasonable costs and out-of-pocket expenses in connection with the preparation, execution, delivery and administration of this Amendment, the transactions contemplated hereby and the other documents to be delivered hereunder, including without limitation, (i) rating agency fees incurred by any Administrator or any Purchaser in connection with the transactions contemplated hereby, and (ii) reasonable fees and out-of-pocket expenses of legal counsel for the Agent, each Administrator and each Purchaser with respect thereto.

SECTION 7. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ONTARIO, CANADA.

SECTION 8. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of a signature page hereto by facsimile shall be deemed as effective as delivery of an original executed signature page hereto.

SECTION 9. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

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

AGCO CANADA, LTD.

By: ______________________________

Name:

Title:

AGCO CORPORATION

By: ______________________________

Name:

Title:

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

By: ______________________________

Name:

Title:

By: ______________________________

Name:

Title:

NIEUW AMSTERDAM RECEIVABLES CORPORATION, as a Purchaser

By: ______________________________

Name:

Title:

EXHIBIT A

Exhibit F

FORM OF DEALER AGREEMENT
(with respect to AGCO Receivables)

EXHIBIT B

Exhibit J

FORM OF DEALER AGREEMENT
(with respect to Challenger Receivables)

EXECUTION COPY

AMENDMENT NO. 5

Dated as of December 12, 2008

to

RECEIVABLES PURCHASE AGREEMENT

THIS AMENDMENT NO. 5, dated as of December 12, 2008 (this "Amendment"), is entered into by and among AGCO CANADA, LTD., as seller (the "Seller"), AGCO CORPORATION ("AGCO"), as servicer (in such capacity, the "Servicer"), NIEUW AMSTERDAM RECEIVABLES CORPORATION ("Nieuw Amsterdam") and COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK INTERNATIONAL", NEW YORK BRANCH ("Rabobank International"), as an Administrator and as the Agent and Custodian.

PRELIMINARY STATEMENTS

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

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

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

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

1.01 Section 1.01 is hereby amended by deleting the definitions of "Cash Control Event", "Credit Enhancement", "Dilution" and "Payment Date" and substituting, in lieu thereof, respectively, the following:

"Cash Control Event" means the occurrence of either of the following events: (i) the Servicer's long-term corporate family debt rating or long-term local issuer credit rating, as the case may be, shall be Ba2 or lower by Moody's or BB or lower by S&P or either such rating is withdrawn or (ii) any Early Amortization Event.

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

long-term corporate family debt rating or long-term local issuer credit rating, as the case may be, of AGCO as of such date (determined on the lower of the ratings assigned by Moody's or S&P).

Moody's	S&P	Percentage
Ba2 or higher	BB or higher	17%
Ba3	BB-	19%
Bl	B+	27%
B2 or lower or rating withdrawn	B or lower or rating withdrawn	37%

"Dilution" means, at any time, the amount of any reduction in the outstanding balance of an AGCO Receivable as a result of any setoff, dispute, discount (including volume discount), rebate (including volume rebate), return, netting, adjustment or any other reason other than (i) payment in cash of such outstanding balance by the Obligor, (ii) credit for a trade-in of used equipment or a return of equipment, to the extent such credit simultaneously gave rise to a new AGCO Receivable in respect of such equipment having an original Outstanding Balance equal to or greater than the amount of such reduction or (iii) such AGCO Receivable having become a Charged-Off Receivable.

"Payment Date" means (i) the first day of each calendar month (or, if such day is not a Business Day, the next succeeding Business Day) and (ii) from and after the occurrence of an Early Amortization Event, each additional Business Day designated as a "Payment Date" by the Agent.

1.02 The definition of Termination Date in Section 1.01 is hereby amended by deleting the date "April 8, 2009" contained therein and substituting, in lieu thereof, the date "December 12, 2013".

1.03 The first clause of the first sentence of Section 4.07(b) is hereby amended to read in its entirety as follows: "If at any time the Servicer's long-term corporate family debt rating or long-term local issuer credit rating, as the case may be, shall not be at least Ba3 by Moody's and at least BB+ by S&P".

1.04 Clause (ii) of the first sentence of Section 9.05 is hereby amended deleting the words "if the long-term senior unsecured debt rating of AGCO is lower than Ba3 by Moody's or lower than BB- by S&P" and substituting, in lieu thereof, "if the long-term corporate family debt rating or long-term local issuer credit rating, as the case may be, of AGCO is lower than Ba2 or withdrawn by Moody's or lower than BB or withdrawn by S&P".

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

(g) The long-term corporate family debt rating or long-term local issuer credit rating, as the case may be, of AGCO is below Ba2 by Moody's or BB by S&P or either such rating is withdrawn.

1.06 Clause (iv) of Paragraph (h) of Section 10.01 is hereby amended to read in its entirety as follows:

(iv) the average of the Payment Rates for the three most recently ended calendar months shall be less than (x) if such three calendar month period shall end with the month of January, February, March or April, 10.00% and (y) in all other cases, 14.00%.

SECTION 2. Conditions Precedent. This Amendment shall become effective as of the date (the "Effective Date") on which (i) Rabobank International shall have received (a) a copy of this Amendment duly executed by each of the parties hereto, (b) a copy of the First Amendment to the Fee Letter dated as of the date hereof duly executed by each of the parties thereto and (c) a copy of the Amendment No. 1 to the AGCO Finance Purchase Agreement dated as of the date hereof duly executed by each of the parties thereto and (ii) payment has been made of all fees required to be paid pursuant to any fee letters entered into in connection with the transactions contemplated by this Amendment.

SECTION 3. Covenants, Representations and Warranties.

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

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

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

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

4.02 Except as specifically amended hereby and the other amendments listed in Section 2, the Receivables Purchase Agreement, the other Transaction Documents and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

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

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

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

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

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

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

AGCO CANADA, LTD

By: /s/ David Williams
Name: DAVID WILLIAMS
Title: VP AND TREASURER

AGCO CORPORATION

By: /s/ David Williams
Name: DAVID WILLIAMS
Title: VP AND TREASURER

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

By: /s/ Maria (Jie)Wu
Name: Maria (Jie)Wu
Title: Vice-President

By: /s/ Keith W. Smith
Name: Keith W. Smith
Title: Vice-President

NIEUW AMSTERDAM RECEIVABLES CORPORATION, as a Purchaser

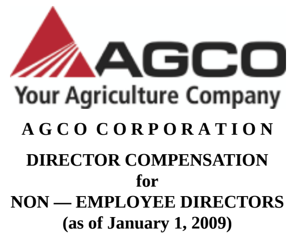
By: /s/ Damian A. Perez
Name: Damian A. Perez
Title: Vice-President

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: (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
12/31/2008

Wholly Owned Subsidiaries of AGCO Corporation	Country of Jurisdiction
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 Equipment Company	Missouri
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 GsmbH	Austria
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
Ag-Chem Europe B.V.	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 Machinery LLC	Russia
Beijing AGCO Trading Co., Ltd.	China
Fendt Italiana GmbH	Italy
AGCO Italia SpA	Italy
Farmec SpA	Italy
Valtra OY	Finland

AGCO CORP /DE
12/31/2008

Wholly Owned Subsidiaries of AGCO Corporation	Country of Jurisdicton
Sisu Diesel OY	Finland
Valtra Voukraus OY	Finland
SD Voukraus OY	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
Avelux SA	Uruguay
AGCO Participacoes 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

Less Than 50% Joint Venture Interests of the Registrant

AGCO Finance LLC	United States
AGCO Finance Canada Ltd.	Canada
Agricredit 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
Agricredit Ltd.	Ireland
Valtra Traktor AB	Sweden
AGCO Finance PTY Ltd.	Australia
Tractors and Farm Equipment Limited	Turkey
Agricredit GmbH	Germany
Agricredit do Brasil Ltda	Brazil
Agricredit S.N.C.	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. 333-138964, No. 333-85404, No. 333-75591, and No. 33-91686) on Forms S-3 and S-8 of AGCO Corporation of our reports dated February 27, 2009, with respect to the consolidated balance sheets of AGCO Corporation and subsidiaries as of December 31, 2008 and 2007, 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, 2008, and the related financial statement schedule, and the effectiveness of internal control over financial reporting as of December 31, 2008, which reports appear in the December 31, 2008 annual report on Form 10-K of AGCO Corporation.

/s/ KPMG LLP

Atlanta, Georgia
February 27, 2009

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, 2008 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 Martin Richenhagen	February 24, 2009
/s/ P. George Benson P. George Benson	February 24, 2009
/s/ Herman Cain Herman Cain	February 25, 2009
/s/ Wolfgang Deml Wolfgang Deml	February 25, 2009
/s/ Francisco R. Gros Francisco R. Gros	February 24, 2009
/s/ Gerald B. Johanneson Gerald B. Johanneson	February 24, 2009
/s/ George E. Minnich George E. Minnich	February 25, 2009
/s/ Curtis E. Moll Curtis E. Moll	February 25, 2009
/s/ David E. Momot David E. Momot	February 25, 2009
/s/ Gerald L. Shaheen Gerald L. Shaheen	February 24, 2009
/s/ Hendrikus Visser Hendrikus Visser	February 24, 2009

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 27, 2009

/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 27, 2009

/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, 2008 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 27, 2009

/s/ Andrew H. Beck
Andrew H. Beck
Chief Financial Officer
February 27, 2009

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.