

AGCO Chooses Jackson Operations Site for Challenger Track Tractor Production

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DULUTH, Ga., March 20 /PRNewswire-FirstCall/ -- AGCO (NYSE: AG), a worldwide designer, manufacturer, and distributor of agricultural equipment, today announced the selection of the Jackson, MN AGCO Jackson Operations for the manufacturing of the MT 700 & 800 Challenger track tractor series. AGCO officials confirm they are working closely with the Governor of Minnesota, Tim Pawlenty, and the Officials of the City of Jackson regarding government support in positioning the business in Jackson. Potentially, these government initiatives include collaboration with the Minnesota State Colleges and University and University of Minnesota systems for skilled labor, generalized training and ISO certification training, application towards sales tax exemption, application for financial support for capital expenditures, and participation in the proposed Minnesota JOBZ program. This relocation means an addition of approximately 100 new jobs and approximately 40 relocated jobs from DeKalb, IL. Production will commence in July 2003. AGCO anticipates that the facility rationalization will generate annual savings of approximately \$8 million by the year 2004.

On March 3rd, AGCO announced the closing of the DeKalb, IL plant, where the track tractors are currently being manufactured. This move consolidates production into the Jackson site that increases facility utilization and significantly lowers product and operating costs. After a review of cost reduction alternatives, it was determined that current and forecasted production levels are not sufficient to support a stand-alone track tractor site in DeKalb, IL. Production will cease by late May 2003. The DeKalb facility was acquired from Caterpillar Inc. in March 2002.

Safe Harbor Statement

Statements which are not historical facts, including closure cost projections, savings projections, and site sale proceeds are forward looking and subject to risks which could cause actual results to differ materially from those suggested by the statements. Although the Company believes that the statements it has made are based on reasonable assumptions, they are based on current information and beliefs and, accordingly, the Company can give no assurance that its statements will be achieved. The Company bases its outlook on current estimates of costs and savings which are subject to change. Further information concerning factors that could significantly affect the Company's results is included in the Company's filings with the Securities and Exchange Commission. The Company disclaims any responsibility to update any forward-looking statements.

AGCO Corporation, headquartered in Duluth, Georgia, is a global designer, manufacturer and distributor of agricultural equipment and related replacement parts. AGCO products are distributed in 140 countries. AGCO offers a full product line including tractors, combines, hay tools, sprayers, forage, tillage equipment and implements through more than 8,450 independent dealers and distributors around the world. AGCO products are distributed under the brand names AGCO(R), AgcoAllis(R), AgcoStar(R), Ag-Chem(R), Challenger(R), Farmhand(R), Fendt(R), Fieldstar(R), Gleaner(R), Glencoe(R), Hesston(R), Lor*Al(R), Massey Ferguson(R), New Idea(R), RoGator(R), Soilteq(TM), Spra- Coupe(R), Sunflower(R), Terra-Gator(R), Tye(R), White(R) and Willmar(R). AGCO provides retail financing through AGCO Finance in North America and through Agricredit in the United Kingdom, France, Germany, Ireland, Spain and Brazil. In 2002, AGCO had net sales of \$2.9 billion.

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