

AGCO Plans to Close DeKalb, Ill. Plant

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DULUTH, Ga., March 3 /PRNewswire-FirstCall/ -- AGCO (NYSE: AG), a worldwide designer, manufacturer, and distributor of agricultural equipment, today announced a major manufacturing rationalization plan which will result in the closure of its track tractor factory in DeKalb, Illinois. The move signals a consolidation of production that increases facility utilization and significantly lowers product and operating costs. Currently, the DeKalb plant assembles Challenger track tractors in the range of 235 to 500 horsepower. The Company is evaluating the relocation of production to its current facilities in Jackson, Minnesota or Hesston, Kansas. A final decision will be made within 30 days.

The DeKalb plant was acquired from Caterpillar, Inc. in March 2002. 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. Annual utilization of DeKalb is approximately 20 percent of capacity.

Production at the DeKalb assembly plant is planned to cease by late May 2003 with production to be relocated and resumed in July 2003. Currently there are 186 employees at the DeKalb plant.

The Company anticipates that the facility rationalization will generate annual savings of approximately \$8 million by the year 2004. The estimated cash closure costs of approximately \$5 million are expected to be recovered from proceeds from the sale of the DeKalb site. This major program in the U.S. furthers a worldwide plan to rationalize production facilities in order to achieve continued cost reductions.

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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